

**EXHIBIT A – PLAN**



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## INTRODUCTION

Boston Chicken, Inc. (“BCI”), BC Real Estate Investments, Inc. (“BCREI”), and the other Affiliates that are Chapter 11 debtors (“Boston Chicken Affiliates” or “BCA” and, together with BCI and BCREI, the “Debtors”) propose the following joint reorganization plan (the “Plan”) for the resolution of their outstanding Creditor Claims and Equity Interests. Reference is made to the Disclosure Statement contemporaneously filed with the Plan, for a discussion of the Debtors’ history, businesses, properties, results of operations, risk factors, a summary and analysis of the Plan, and other related matters. The Debtors are the proponents of the Plan within the meaning of Section 1129 of the Bankruptcy Code.

The Plan does not propose to substantively consolidate the Debtors’ Estates. The establishment of classes of Claims and Interests, and the treatment of Claims and Interests are based on the corporate separateness of each Debtor. Because certain creditors have Claims for which the Debtors are jointly liable, secured by assets of multiple Debtors, the Proceeds of the Collateral of such Creditors shall be distributed to them without allocation among the Debtors, except as provided herein.

This Plan provides for the sale of most of the Debtors’ assets to the Buyer pursuant to Sections 363 and 1123(a) of the Bankruptcy Code. The assets that are not sold to the Buyer (the “Retained Assets”) and the Cash Consideration will be transferred to the Plan Trust, subject to all valid and enforceable Liens, to be administered and distributed by the Plan Trustee in accordance with the terms of this Plan. A single Plan Trust will be created to minimize administrative costs, but the assets of each Debtor’s Estate, other than Collateral for joint obligations, shall be accounted for separately. Many of the Debtors’ Executory Contracts will be assumed and assigned to Buyer pursuant to Sections 365 and 1123(b) of the Bankruptcy Code. The Buyer will pay \$173.5 million in the form of Cash and the assumption of certain liabilities. The Buyer’s parent, McDonald’s Corporation, will guarantee certain of the Buyer’s obligations under the Asset Purchase Agreement. The assets sold to the Buyer will be conveyed free and clear of Liens and Claims as authorized by Section 363(f) and 1123(a)(5)(D) of the Bankruptcy Code. Following the Effective Date, the Debtors will no longer conduct their businesses. This Plan also provides for the dissolution of the Debtors.

As set forth in more detail in **Article III** below, the Debtors believe that Creditors in BCI Classes 6, 7 and 12, BCREI Class 6, and Class 9 for each BCA (subordinated bondholders and securities fraud Claims by bondholders and shareholders), and all Interest holders in BCI, BCREI, and each BCA (BCI Classes 9, 10, and 11, BCREI Class 5, and Classes 6, 7 and 8 for each BCA) will receive no distribution under the Plan. Consequently, such Classes will be deemed to have rejected the Plan, and their votes will not be solicited.

All holders of Claims and all holders of Interests are encouraged to read this Plan and the Disclosure Statement in their entirety before voting to accept or reject this Plan or objecting to the confirmation of this Plan. Subject to certain restrictions and requirements set forth in Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Debtors reserve the right to alter, amend, modify, revoke or withdraw this Plan prior to its substantial consummation.

1                   **I.       DEFINITIONS, RULES OF INTERPRETATION,**  
2                                   **AND COMPUTATION OF TIME**

3           **A.       Definitions; Rules Of Construction**

4           All definitions set forth on Appendix I-A attached to the Plan are incorporated in  
5 the Plan for all purposes. Any term used in this Plan that is not defined herein, but is defined in  
6 the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in  
7 the Bankruptcy Code or Bankruptcy Rules. Whenever the context requires, such terms shall  
8 include the plural and the singular.

9           **B.       Rules of Interpretation**

10          For purposes of the Plan (a) any reference in the Plan to a contract, instrument,  
11 release, indenture, or other agreement or document being in a particular form or on particular  
12 terms and conditions means that it shall be substantially in such form or substantially on such  
13 terms and conditions, (b) any reference in the Plan to an existing document or exhibit filed or to  
14 be filed means such document or exhibit as it may have been or may be amended, modified, or  
15 supplemented, (c) unless otherwise specified, all references in the Plan to Sections, Articles,  
16 Appendices, Schedules, and Exhibits are references to Sections, Articles, Schedules, Appendices  
17 and Exhibits of or to the Plan, (d) the words “herein” and “hereto” refer to the Plan in its entirety  
18 rather than to a particular portion of the Plan, (e) captions and headings to Articles and Sections  
19 are inserted for convenience of reference only and are not intended to be a part of or to affect the  
20 interpretation of the Plan, and (f) the rules of construction set forth in Section 102 of the  
21 Bankruptcy Code and in the Bankruptcy Rules shall apply.

22           **C.       Computation of Time**

23          In computing any period of time prescribed or allowed by the Plan, the provisions  
24 of Bankruptcy Rule 9006(a) shall apply.

25                   **II.       CLASSIFICATION OF CLAIMS AND INTERESTS**

26           **A.       Introduction**

27          All Claims and Interests, except DIP Facility Claims, Adequate Protection  
28 Obligations, General Administrative Claims, and Priority Tax Claims, are placed in the Classes  
set forth below. In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative  
Claims and Priority Tax Claims, have not been classified.

A Claim or Interest is placed in a particular Class only to the extent that the Claim  
or Interest falls within the description of that Class, and is classified in other Classes to the extent  
that any portion of the Claim or Interest falls within the description of such other Classes. A  
Claim is placed in a particular Class for the purpose of receiving distributions pursuant to the  
Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not  
been paid, released, or otherwise settled prior to the Effective Date. The establishment of  
particular Classes or categories of Unclassified Priority Claims does not mean or imply that there  
are any Allowed Claims that fall into each such Class or category and the Debtors reserve the



1 right to themselves and the Plan Trustee, as the successor to the Debtors, to contend that there  
2 are no such Allowed Claims in any given Class or category.

3 **B. Unclassified Priority Claims.**

4 The following Claims (hereinafter the “Unclassified Priority Claims”) with  
5 respect to each of the Debtors shall not be classified and shall not be entitled to vote on the Plan:

6 1. DIP Facility Claims. All claims arising under the DIP Facility.

7 2. Adequate Protection Obligations. The Allowed Adequate Protection  
8 Obligations to the 1996 Lenders, if any.

9 3. General Administrative Claims. All claims entitled to priority under  
10 Bankruptcy Code § 507(a)(1), other than DIP Facility Claims and Adequate Protection  
11 Obligations.

12 4. Priority Tax Claims. All unsecured tax claims entitled to priority under  
13 Bankruptcy Code § 507(a)(8).

14 **C. Classes of Claims and Interests Against BCI**

15 1. BCI Class 1 -- All Allowed Claims entitled to priority under Bankruptcy  
16 Code § 507(a)(4), (5), (6) or (9).

17 2. BCI Class 2 – The Allowed Secured Claims of the 1996 Lenders. Claims  
18 in this Class shall be limited to the lesser of (i) the Allowed Claims of the 1996 Lenders or (ii)  
19 the sum of (a) the Proceeds of the 1996 BCI Collateral that is sold to the Buyer, and (b) the value  
20 of the 1996 BCI Collateral that is part of the Retained Assets.

21 3. BCI Class 3 – The Allowed Secured Claims of the 1995 Lenders. Claims  
22 in this Class shall be limited to the lesser of (i) the Allowed Claims of the 1995 Lenders or (ii)  
23 the sum of (a) the Proceeds of the 1995 BCI Collateral that is sold to Buyer, and (b) the value of  
24 the 1995 BCI Collateral that is part of the Retained Assets.

25 4. BCI Class 4 – Other Secured Claims. Each Allowed Claim that is secured  
26 by property of BCI’s Estate, other than those in Classes 2 and 3, shall be in its own separate  
27 subclass of Class 4. Claims in each such subclass shall be limited to the lesser of (i) the Allowed  
28 Claim of that Creditor that is secured by the relevant Collateral, or (ii) the Proceeds of the  
Collateral owned by BCI securing such Claim, to the extent that Collateral is sold to the Buyer,  
or the value of the Collateral owned by BCI securing such Claim, if the Collateral is part of the  
Retained Assets.

5. BCI Class 5 – Senior Unsecured Claims. All Allowed Unsecured Claims  
to which the Allowed Class 6 Claims are contractually subordinated, including without limitation  
any unsecured portion of any Secured Creditor’s Allowed Claim.

6. BCI Class 6 – Subordinated Unsecured Debentures

- 1 a. BCI Class 6A - All Allowed Claims arising under the 1994  
2 Debentures.
- 3 b. BCI Class 6B – All Allowed Claims arising under the 1997  
4 Debentures.
- 5 c. BCI Class 6C – All Allowed Claims arising under the LYONs.
- 6 7. BCI Class 7 – All Debt Securities Claims arising directly or indirectly  
7 from Class 6 Debentures.
- 8 8. BCI Class 8 – All Allowed Unsecured Claims that are not included in  
9 Unclassified Priority Claims or any other Class, including without limitation all Allowed Claims  
10 arising from the rejection of Executory Contracts.
- 11 9. BCI Class 9 – Preferred Stock issued by BCI.
- 12 10. BCI Class 10 – Common Stock issued by BCI.
- 13 11. BCI Class 11 – Common Stock Options, Warrants and Rights relating to  
14 BCI Common Stock.
- 15 12. BCI Class 12 – Equity Securities Claims arising directly or indirectly from  
16 any Interests in BCI.

17 **D. Classes of Claims Against BCREI**

- 18 1. BCREI Class 1 - All Allowed Claims entitled to priority under Bankruptcy  
19 Code § 507(a)(4), (5), (6) or (9).
- 20 2. BCREI Class 2 – The Allowed Secured Claims of the 1996 Lenders.  
21 Claims in this Class shall be limited to the lesser of (i) the Allowed Claims of the 1996 Lenders  
22 or (ii) the sum of (a) the Proceeds of the 1996 BCREI Collateral that is sold to the Buyer, and (b)  
23 the value of the 1996 BCREI Collateral that is part of the Retained Assets.
- 24 3. BCREI Class 3 – Other Secured Claims. Each Allowed Claim that is  
25 secured by property of BCREI's Estate, other than the Claims in Class 2, shall be in its own  
26 separate subclass of Class 3. Each claim in each such subclass shall be limited to the lesser of (i)  
27 the Allowed Claim of that Creditor that is secured by Collateral owned by BCREI, or (ii) the  
28 Proceeds of the Collateral owned by BCREI securing such Claim, to the extent that Collateral is  
sold to the Buyer, or the value of the Collateral owned by BCREI securing such Claim, if the  
Collateral is part of the Retained Assets.
4. BCREI Class 4 – General Unsecured Claims. All Allowed Unsecured  
Claims against BCREI that are not included in Unclassified Priority Claims or Class 1, including,  
without limitation, any unsecured portion of any Secured Creditor's Allowed Claim and all  
Allowed Claims arising from the rejection of Executory Contracts.

1                   5.       BCREI Class 5 – Common Stock issued by BCREI, 100% of which is  
2 owned by BCI.

3                   6.       BCREI Class 6 – Equity Securities Claims arising directly or indirectly  
4 from any Interests in BCREI.

5                   **E.       Classes Of Claims Against Each Boston Chicken Affiliate**

6                   The Classes of Creditors for each BCA shall be as follows:

7                   1.       BCA Class 1 - All Allowed Claims, if any, against that BCA entitled to  
8 priority under Bankruptcy Code § 507(a)(4), (5), (6) or (9).

9                   2.       BCA Class 2 – The Allowed Secured Claims of the 1996 Lenders. Claims  
10 in this Class shall be limited to the lesser of (i) the Allowed Claim of the 1996 Lenders or (ii) the  
11 sum of (a) the Proceeds of the 1996 BCA Collateral owned by that BCA that is sold to the Buyer,  
and (b) the value of the 1996 BCA Collateral owned by that BCA that is part of the Retained  
Assets.

12                  3.       BCA Class 3 – The Allowed Secured Claims of the 1995 Lenders. Claims  
13 in this Class shall be limited to the lesser of (i) the Allowed Claim of the 1995 Lenders or (ii) the  
14 sum of (a) the Proceeds of the 1995 BCA Collateral owned by that BCA that is sold to Buyer,  
and (b) the value of the 1995 BCA Collateral owned by that BCA that is part of the Retained  
Assets.

15                  4.       BCA Class 4 – Other Secured Claims. Each Allowed Secured Claim,  
16 other than those in Classes 2 and 3 shall be in its own separate subclass of Class 4. Each Claim  
17 in each such subclass shall be limited to the lesser of (i) the Allowed Claim of that Creditor or  
18 (ii) the Proceeds of the Collateral owned by that BCA securing that Claim, to the extent that  
Collateral is sold to the Buyer, or the value of the Collateral owned by that BCA securing that  
Claim, if the Collateral is part of the Retained Assets.

19                  5.       BCA Class 5 – General Unsecured Claims. All Allowed Unsecured  
20 Claims against that BCA that are not included in Unclassified Priority Claims or Class 1,  
21 including without limitation any unsecured portion of any Secured Creditor's Allowed Claim and  
all Allowed Claims arising from rejection of Executory Contracts.

22                  6.       BCA Class 6 – Any Preferred Equity Securities Issued by that BCA.

23                  7.       BCA Class 7 – Any Common Equity Securities issued by that BCA.

24                  8.       BCA Class 8 – Options, Warrants or Rights to acquire any Equity  
25 Securities issued by that BCA.

26                  9.       BCA Class 9 – Equity Securities Claims arising directly or indirectly from  
27 any Interests in that BCA.

1           **F.      Designation of Impaired Claims and Interests and Unimpaired Claims**

2           With the exception of the Allowed Claims in BCI Class 1, BCREI Class 1 and  
3 each BCA Class 1, all Claims are impaired. Claims in BCI Class 1, BCREI Class 1 and each  
4 BCA Class 1 are not impaired. Claims in BCI Classes 7 and 12, BCREI Class 6 and Class 9 for  
5 each BCA and all Interests (BCI Classes 9 through 11, inclusive, BCREI Class 5, and Classes 6,  
6 7, and 8 for each BCA), are impaired, and will not receive or retain any property on account of  
7 such Claims or Interests. These Classes are deemed to have rejected the Plan. Similarly, the  
8 Debtors believe that Claims in BCI Class 6 will not receive or retain any property under the Plan  
9 and, therefore, this Class is deemed to have rejected the Plan.

10                           **III.      TREATMENT OF CLAIMS AND INTERESTS**

11           **A.      Unclassified Priority Claims**

12           To the extent the Debtors are jointly and severally liable for any of the  
13 Unclassified Priority Claims, those Unclassified Priority Claims will be paid from the Estate  
14 Funds of the Debtors or the Cash Proceeds of the Collateral of the 1996 Lenders without any  
15 need to allocate such Cash among the Debtors.

16                       1.      DIP Facility Claims

17           The Confirmation Order shall allow the DIP Facility Claim in the amount  
18 due on the date of the Confirmation Hearing, including all interest through that date and fees and  
19 costs through the most recent date for which the DIP Lenders have submitted such information.  
20 On the Initial Distribution Date, each holder of an Allowed DIP Facility Claim shall receive in  
21 full satisfaction, settlement, release, and discharge of and in exchange for such Allowed DIP  
22 Facility Claim, Cash equal to the unpaid portion of such Allowed DIP Facility Claim in the  
23 amount Allowed hereunder plus any draws that the Debtors make under the DIP Facility after the  
24 Confirmation Hearing and all interest, fees and costs under the DIP Facility through the date of  
25 payment. In addition, any letters of credit (as defined in the DIP Facility) outstanding on the  
26 Effective Date shall be terminated as of the Effective Date.

27                       2.      Adequate Protection Obligations

28           After the payment in full of the Priority Claims (or the establishment of a  
cash reserve sufficient to pay any unresolved or disputed Priority Claims), and the establishment  
and maintenance of an adequate Administrative Reserve, any remaining Estate Funds shall be  
distributed first to the holders of Allowed Adequate Protection Obligations, if any, Pro Rata,  
until such Claims are paid in full; provided, however, that the 1996 Lenders may, by a vote of  
66-2/3% in dollar amount and more than 50% in number, at any time after Confirmation of this  
Plan, permit Estate Funds that would otherwise be distributable to such holders to be used for  
other purposes, including without limitation, payment of the costs of administering the Plan  
Trust. Funds used for other purposes with the consent of the 1996 Lenders will not reduce the  
remaining unpaid Adequate Protection Obligations.

                          3.      General Administrative Claims

1 Except as otherwise provided for herein, and subject to the requirements  
2 of Article XIII.A hereof, on the latest of (i) the Initial Distribution Date, (ii) the date such  
3 Administrative Claim becomes an Allowed Administrative Claim, or (iii) the date such  
4 Administrative Claim becomes payable pursuant to any agreement between a Debtor and the  
5 holder of such Administrative Claim, each holder of an Allowed Administrative Claim shall  
6 receive in full satisfaction, settlement, release, and discharge of and in exchange for such  
Allowed Administrative Claim (a) Cash equal to the unpaid portion of such Allowed  
Administrative Claim, or (b) such other treatment as the Plan Trustee or the Buyer (if it has  
assumed responsibility for paying that Claim) and such holder shall have agreed.

#### 7 4. Priority Tax Claims

8 On the later of (i) the Initial Distribution Date or (ii) the date such Priority  
9 Tax Claim becomes an Allowed Priority Tax Claim, each holder of an Allowed Priority Tax  
10 Claim shall receive in full satisfaction, settlement, release, and discharge of and in exchange for  
11 such Allowed Priority Tax Claim, Cash equal to the unpaid portion of such Allowed Priority Tax  
12 Claim. No holder of an Allowed Priority Tax Claim shall be entitled to any payments on account  
of any pre-Initial Distribution Date interest accrued on, or penalty arising after the Petition Date  
with respect to, such Allowed Priority Tax Claim.

### 13 B. Classes of Claims and Interests Against BCI

#### 14 1. BCI Class 1 - Other Priority Claims

15 The holder of an Allowed Other Priority Claim against BCI will receive (i)  
16 Cash on the Initial Distribution Date, equal to the amount of such Allowed Other Priority Claim,  
17 or (ii) such other treatment as BCI and such holder agree upon in writing prior to the Initial  
Distribution Date.

#### 18 2. BCI Class 2 – The 1996 Lenders’ Secured Claims

19 The Liens securing the BCI Class 2 Secured Claims will attach to the  
20 Proceeds of the sale of the 1996 BCI Collateral and shall continue as Liens on the Retained  
21 Assets that constitute 1996 BCI Collateral, to the extent they are valid, enforceable Liens. A  
22 holder of an Allowed BCI Class 2 Secured Claim, in full satisfaction, settlement, release, and  
23 discharge of and in exchange for such Allowed Secured Claims, will receive (i) from the Net  
24 Proceeds of the sale of the 1996 BCI Collateral, a Pro Rata distribution of such Net Proceeds  
25 after payment in full (or with respect to all Disputed Claims and all Professional Fee Claims  
26 subject to fee application the establishment of a Cash reserve sufficient to pay in full the amount  
27 asserted by all such Creditors and professionals) of the Allowed DIP Facility Claims, Allowed  
28 General Administrative Claims, Allowed Priority Tax Claims and Allowed Class 1 Claims; (ii)  
from the Proceeds of the Retained Assets that constitute 1996 BCI Collateral, a Pro Rata  
distribution of those Proceeds; and (iii) from the BCI Estate Funds (which shall be subject to the  
replacement Lien granted under Section IV.C. of the Plan) after payment of the permitted costs  
of administering the Plan Trust, an amount up to the 1996 Lenders’ Reimbursement Claim. In  
no event shall the total distributions to Class 2 exceed the Allowed Class 2 Claims. The amount  
of any Claim of a BCI Class 2 Creditor that is not Allowed as either a BCI Class 2 Secured

1 Claim, a BCREI Class 2 Secured Claim or a BCA Class 2 Secured Claim or satisfied by the  
2 surrender of the Collateral for that Claim, shall be treated as a BCI Class 5 Senior Unsecured  
3 Claim, after appropriate reduction for the value of any Collateral surrendered to that Class.

4 3. BCI Class 3 – 1995 Lenders Secured Claims

5 The Liens securing the BCI Class 3 Secured Claims will attach to the  
6 Proceeds of the sale of the 1995 BCI Collateral and shall continue as Liens on the Retained  
7 Assets that constitute 1995 BCI Collateral, to the extent they are valid, enforceable Liens. In full  
8 satisfaction, settlement, release, and discharge of and in exchange for such Allowed BCI Class 3  
9 Secured Claims, the holders will receive from the Proceeds of the sale of the 1995 BCI Collateral  
10 a Pro Rata distribution of such Proceeds on the Initial Distribution Date or as soon thereafter as  
11 the Proceeds can be quantified and shall receive either a physical turnover of the Retained Assets  
12 that constitute 1995 BCI Collateral by the Secured Creditor Final Payment Date (or such later  
13 date as is set by the Bankruptcy Court after notice to Class 3 and a hearing) or payment of the  
14 Proceeds of any 1995 BCI Collateral sold by BCI or the Plan Trustee prior to the Secured  
15 Creditor Final Payment Date. In no event shall the total distributions to Class 3 exceed the  
16 Allowed BCI Class 3 Claims. The amount of any Claim of a BCI Class 3 Creditor that is not  
17 Allowed as either a BCI Class 3 Secured Claim or a BCA Class 3 Secured Claim, or satisfied by  
18 the surrender of the Collateral for that Claim, shall be treated as a BCI Class 8 Senior Unsecured  
19 Claim, after appropriate reduction for the value of any Collateral surrendered to that Class.

20 4. BCI Class 4 - Other Secured Claims

21 The Liens securing each subclass of BCI Class 4 will attach to the  
22 Proceeds of the sale of the Collateral securing that subclass that is sold to the Buyer and shall  
23 continue as Liens on the Retained Assets securing that subclass, to the extent they are valid,  
24 enforceable Liens. A holder of an Allowed BCI Class 4 Secured Claim, in full satisfaction,  
25 settlement, release, and discharge of and in exchange for such Allowed Secured Claim, will  
26 receive the Proceeds of the sale of the Collateral securing that subclass of Class 4 that is sold to  
27 the Buyer on the Initial Distribution Date or as soon thereafter as the Proceeds of such Collateral  
28 can be quantified, and shall receive either a physical turnover of the Retained Assets that  
constitute Collateral for that Claim by the Secured Creditor Payment Final Date, or payment of  
the Proceeds of any such Collateral sold by BCI prior to that date. In no event shall the total  
distributions to any holder of an Allowed BCI Class 4 Claim exceed the Allowed amount of such  
Claim. The amount of any Claim of a BCI Class 4 Creditor that is not paid as a BCI Class 4  
Secured Claim or satisfied by the surrender of the Collateral for that Claim, shall be treated as a  
BCI Class 5 Senior Unsecured Claim, after appropriate reduction for the value of any Collateral  
surrendered to that Creditor.

5. BCI Class 5 - Senior Unsecured Claims

After full payment to Priority Claims and the Allowed Secured Claims in  
BCI Classes 2, 3 and 4, the holder of an Allowed BCI Class 5 Claim, together with Creditors  
holding Allowed Claims in BCI Class 8, will receive a distribution from the remaining BCI  
Estate Funds, which shall be distributed to the holders of Allowed Class 5 Claims and Allowed  
Class 8 Claims with each holder of an Allowed Class 5 Claim receiving the product of (a) a

fraction the numerator of which is the sum of all Claims in Classes 5 and 6, and the denominator of which is all Claims in Classes 5, 6 and 8, multiplied by (b) a fraction the numerator of which is the holder's Allowed Claim and the denominator of which is the total of all Class 5 Claims.

6. BCI Class 6 – Unsecured Debentures

a. BCI Class 6A - 1994 Debentures:

The Debtors believe that the holders of 1994 Debentures Claims will not receive or retain any property under the Plan. To enforce the contractual subordination to all Allowed Claims in Classes 2 through 5, inclusive, all sums that otherwise would be distributable to holders of Allowed Claims in this Class will be paid to the holders of Allowed Class 5 Claims, pursuant to the allocation of the BCI Estate Funds between Classes 5 and 8 set forth herein, until all Allowed Class 5 Claims are paid in full. In the unlikely event Allowed Class 5 Claims are paid in full, any surplus shall be distributed to the holders of Allowed Class 6 Claims and Allowed Class 8 Claims with each holder of an Allowed Class 6 Claim receiving the product of (a) a fraction the numerator of which is the sum of all Claims in Classes 5 and 6, and the denominator of which is all Claims in Classes 5, 6 and 8, multiplied by (b) a fraction the numerator of which is the holder's Allowed Claim and the denominator of which is the total of all Class 6 Claims. **BCI assumes there will be no such distribution and, therefore, the holders of Allowed BCI Class 6 Claims will not receive or retain any property under the Plan.**

b. BCI Class 6B – 1997 Debentures:

The Debtors believe that the holders of 1997 Debentures Claims will not receive or retain any property under the Plan. To enforce the contractual subordination to all Allowed Claims in Classes 2 through 5, inclusive, all sums that otherwise would be distributable to holders of Allowed Claims in this Class will be paid to the holders of Allowed Class 5 Claims, pursuant to the allocation of the BCI Estate Funds between Classes 6 and 8 set forth herein, until all Allowed Class 5 Claims are paid in full. In the unlikely event Allowed Class 5 Claims are paid in full, any surplus shall be distributed to the holders of Allowed Class 6 Claims and Allowed Class 8 Claims with each holder of an Allowed Class 6 Claim receiving the product of (a) a fraction the numerator of which is the sum of all Claims in Classes 5 and 6, and the denominator of which is all Claims in Classes 5, 6 and 8, multiplied by (b) a fraction the numerator of which is the holder's Allowed Claim and the denominator of which is the total of all Class 6 Claims. **BCI assumes there will be no such distribution and, therefore, the holders of Allowed BCI Class 6 Claims will not receive or retain any property under the Plan.**

c. BCI Class 6C – LYONs:

The Debtors believe that the holders of LYONs Claims will not receive or retain any property under the Plan. To enforce the contractual subordination to all Allowed Claims in Classes 2 through 5, inclusive, all sums that otherwise would be distributable to holders of Allowed Claims in this Class will be paid to the holders of Allowed Class 5 Claims, pursuant to the allocation of the BCI Estate Funds between Classes 5 and 8 set forth herein, until

1 all Allowed Class 5 Claims are paid in full. In the unlikely event Allowed Class 5 Claims are  
2 paid in full, any surplus shall be distributed to the holders of Allowed Class 6 Claims and  
3 Allowed Class 8 Claims with each holder of an Allowed Class 6 Claim receiving the product of  
4 (a) a fraction the numerator of which is the sum of all Claims in Classes 5 and 6, and the  
5 denominator of which is all Claims in Classes 5, 6 and 8, multiplied by (b) a fraction the  
6 numerator of which is the holder's Allowed Claim and the denominator of which is the total of  
all Class 6 Claims. **BCI assumes there will be no such distribution and, therefore, the  
holders of Allowed BCI Class 6 Claims will not receive or retain any property under the  
Plan.**

7 7. BCI Class 7 – Debt Securities Claims.

8 The holders of Allowed BCI Class 7 Claims will not receive or retain any  
9 property under the Plan.

10 8. BCI Class 8 – General Unsecured Claims

11 After full payment to the Priority Claims and the Allowed Secured Claims  
12 in BCI Classes 2 through 4, inclusive, the holder of an Allowed BCI Class 8 Claim, together with  
13 Creditors holding Allowed Claims in BCI Class 5, will receive a distribution from the remaining  
14 BCI Estate Funds, which shall be distributed to the holders of Allowed Class 5 Claims (or Class  
15 6 Claims in the unlikely event Class 5 Claims are paid in full) and Allowed Class 8 Claims with  
16 each holder of an Allowed Class 8 Claim receiving the product of (a) a fraction the numerator of  
which is the sum of all Claims in Class 8, and the denominator of which is all Claims in Classes  
5, 6 and 8, multiplied by (b) a fraction the numerator of which is the holder's Allowed Claim and  
the denominator of which is the total of all Class 8 Claims.

17 9. BCI Class 9 – Preferred Stock Issued by BCI

18 The holders of Allowed BCI Class 9 Interests will not receive or retain  
19 any property under the Plan and the Equity Securities will be cancelled on the Effective Date.

20 10. BCI Class 10 – Common Stock Issued by BCI

21 The holders of Allowed BCI Class 10 Interests will not receive or retain  
22 any property under the Plan and the Equity Securities will be cancelled on the Effective Date.

23 11. BCI Class 11 – Common Stock Options, Warrants and Rights Issued by  
BCI

24 The holders of Allowed BCI Class 11 Interests will not receive or retain  
25 any property under the Plan and the Equity Securities will be cancelled on the Effective Date.

26 12. BCI Class 12 – Equity Securities Claims

27 The holders of Equity Securities Claims will not receive or retain any  
28 property under the Plan.



1           **C.       Classes Of Claims and Interests Against BCREI**

2                   1.       BCREI Class 1 - Other Priority Claims

3                   The holders of Allowed Other Priority Claims against BCREI will receive  
4 (i) Cash on the Initial Distribution Date equal to the amount of such Allowed Other Priority  
5 Claims, or (ii) such other treatment as to which BCREI and such holder will have agreed upon in  
6 writing prior to the Initial Distribution Date.

7                   2.       BCREI Class 2– The 1996 Lenders’ Secured Claims

8                   The Liens securing the BCREI Class 2 Secured Claims will attach to the  
9 Proceeds of the sale of the 1996 BCREI Collateral and shall continue as Liens upon the Retained  
10 Assets that constitute 1996 BCREI Collateral, to the extent they are valid, enforceable Liens. A  
11 holder of an Allowed BCREI Class 2 Secured Claim, in full satisfaction, settlement, release, and  
12 discharge of and in exchange for such Allowed Secured Claim, will receive (i) from the Net  
13 Proceeds of the sale of the 1996 BCREI Collateral, a Pro Rata distribution of such Net Proceeds  
14 after payment in full (or with respect to all Disputed Claims and all Professional Fee Claims  
15 subject to fee application the establishment of a Cash reserve sufficient to pay in full the amount  
16 asserted by all such Creditors and professionals) of the Allowed DIP Facility Claims, Allowed  
17 General Administrative Claims, Allowed Priority Tax Claims and Allowed Class 1 Claims); (ii)  
18 from the Proceeds of the Retained Assets that constitute 1996 BCREI Collateral, a Pro Rata  
19 distribution of those Proceeds; and (iii) from the BCREI Estate Funds (which shall be subject to  
20 the replacement Lien granted under Section IV.C. of the Plan) after payment of the permitted  
21 costs of administering the Plan Trust an amount up to the 1996 Lenders’ Reimbursement Claim.  
22 In no event shall the total distributions to Class 2 exceed the Allowed Class 2 Claims. The  
23 amount of any Claim of a BCREI Class 2 Creditor that is not Allowed as either a BCI Class 2  
24 Secured Claim, a BCREI Class 2 Secured Claim or a BCA Class 2 Secured Claim or satisfied by  
25 the surrender of the Collateral for that Claim, shall be treated as a BCREI Class 4 Unsecured  
26 Claim, after appropriate reduction for the value of any Collateral surrendered to that Class.

27                   3.       BCREI Class 3 – Other Secured Claims

28                   The Liens securing each subclass of BCREI Class 3 will attach to the  
proceeds of the sale of the Collateral securing that subclass that is sold to Buyer and shall  
continue as Liens upon the Retained Assets securing that subclass, to the extent they are valid,  
enforceable Liens. A holder of an Allowed BCREI Class 3 Secured Claim, in full satisfaction,  
settlement, release, and discharge of and in exchange for such Allowed Secured Claim, will  
receive the Proceeds of the sale of the Collateral securing that subclass of Class 3 that is sold to  
the Buyer on the Initial Distribution Date or as soon thereafter as the Proceeds of such Collateral  
can be quantified, and shall receive either a physical turnover of the Retained Assets that  
constitute Collateral for that Claim by the Secured Creditor Final Payment Date, or payment of  
the Proceeds of any such Collateral sold prior to that date. In no event shall the total  
distributions to any holder of an Allowed Class 3 Claim exceed the Allowed amount of such  
Claim. The amount of any Claim of a BCREI Class 3 Creditor that is not Allowed as a BCREI  
Class 3 Secured Claim or satisfied by the surrender of the Collateral for that Claim, shall be

1 treated as a BCREI Class 4 Senior Unsecured Claim, after appropriate reduction for the value of  
2 any Collateral surrendered to that Creditor.

3 4. BCREI Class 4 – General Unsecured Claims

4 After full payment to Priority Claims and the Allowed Secured Claims in  
5 Classes 2 and 3, the holder of an Allowed Class 4 Claim will receive a Pro Rata distribution of  
6 the remaining BCREI Estate Funds.

7 5. BCREI Class 5 – Common Stock Issued by BCREI

8 The holders of Allowed BCREI Class 5 Interests will not receive or retain any  
9 property under the Plan and the Equity Securities will be cancelled on the Effective Date.

10 6. BCREI Class 6 – BCREI Equity Securities Claims

11 The holders of BCREI Class 6 Claims will not receive or retain any  
12 property under the Plan.

13 **D. Classes Of Claims and Interests Against Boston Chicken Affiliates**

14 The assets of the Estate of each BCA Debtor or the Proceeds from the sale of such  
15 assets shall be distributed in the manner described below. Each such BCA Debtor shall have six  
16 Classes of Claims and two or three Classes of Interests, depending on whether that Debtor issued  
17 preferred stock. The Classes for each BCA Debtor shall be separate and shall be paid, if at all,  
18 from the disposition of the assets of the Estate of that BCA Debtor. To the extent the Claims in  
19 Classes 2 or 3 are cross-collateralized and joint and several obligations, the value of the  
20 Collateral for such claims will not be allocated among the Boston Chicken Affiliates, BCI and  
21 BCREI.

22 1. BCA Class 1 – Other Priority Claims.

23 The holder of an Allowed Other Priority Claim against any BCA will  
24 receive (i) Cash on the Initial Distribution Date equal to the amount of such Allowed Other  
25 Priority Claim, or (ii) such other treatment as to which that BCA and such holder will have  
26 agreed upon in writing prior to the Initial Distribution Date.

27 2. BCA Class 2 –The 1996 Lenders’ Secured Claims.

28 The Liens securing the BCA Class 2 Secured Claims against each BCA  
will attach to the Proceeds of the sale of the 1996 BCA Collateral owned by that BCA , and shall  
continue as Liens upon the Retained Assets that constitute 1996 BCA Collateral, to the extent  
they are valid, enforceable Liens. In full satisfaction, settlement, release, and discharge of and in  
exchange for such Allowed Secured Claim, the holder will receive (i) from the Net Proceeds of  
the sale of the 1996 BCA Collateral, a Pro Rata distribution of the Net Proceeds of the 1996  
BCA Collateral after payment in full (or with respect to all Disputed Claims and all Professional

1 Fee Claims subject to fee application the establishment of a Cash reserve sufficient to pay in full  
2 the amount asserted by all such Creditors and professionals) of the Priority Claims); (ii) from the  
3 Proceeds of the Retained Assets that constitute 1996 BCA Collateral, a Pro Rata distribution of  
4 those Proceeds; and (iii) from that BCA's Estate Funds (which shall be subject to the  
5 replacement Lien granted under Section IV.C. of the Plan) after payment of the permitted costs  
6 of administering the Plan Trust, an amount up to the 1996 Lender's Reimbursement Claim. In  
7 no event shall the total distributions to Class 2 exceed the Allowed Class 2 Claims. The amount  
8 of any Claim of a BCA Class 2 Creditor that is not Allowed as either a BCI Class 2 Secured  
9 Claim, a BCREI Class 2 Secured Claim or a BCA Class 2 Secured Claim or satisfied by the  
10 surrender of the Collateral for that Claim, shall be treated as a BCREI Class 4 Unsecured Claim,  
11 after appropriate reduction for the value of any Collateral surrendered to that Class.

### 12 3. BCA Class 3 – The 1995 Lenders' Secured Claims

13 The Liens securing the Class 3 Allowed Secured Claims against each  
14 BCA will attach to the proceeds of the sale of the 1995 BCA Collateral owned by that BCA, and  
15 shall continue as Liens upon the Retained Assets that constitute 1995 BCA Collateral, to the  
16 extent they are valid, enforceable Liens. A holder of an allowed BCA Class 3 Claim, in full  
17 satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Class 3  
18 Secured Claim, will receive the Proceeds of the sale of the 1995 BCA Collateral owned by that  
19 BCA that is sold to Buyer on the Initial Distribution Date or as soon thereafter as the Proceeds of  
20 such Collateral can be quantified, and shall receive either physical turnover of the Retained  
21 Assets that constitute 1995 BCA Collateral for that Claim by the Secured Creditor Final Payment  
22 Date, or payment of the Proceeds of any 1995 BCA Collateral sold prior to that date. In no event  
23 shall the total distributions to any holder of an Allowed Class 3 Claim exceed the Allowed  
24 amount of such Claim. The amount of any Claim of a BCA Class 3 Creditor that is not Allowed  
25 as either a BCI Class 3 Secured Claim or a BCA Class 3 Secured Claim, or satisfied by the  
26 surrender of the Collateral for that Claim or satisfied by the surrender of the Collateral for that  
27 Claim, shall be treated as a Class 5 General Unsecured Claim against that BCA, after appropriate  
28 reduction for the value of the Collateral surrendered to Class 3.

### 4. BCA Class 4 – Other Secured Claims

The Liens securing each subclass of each BCA Class 4 will attach to the  
proceeds of the sale of the Collateral securing that subclass that is sold to the Buyer, and shall  
continue as Liens upon the Retained Assets of that BCA securing that subclass, to the extent they  
are valid, enforceable Liens. In full satisfaction, settlement, release and discharge of, and in  
exchange for, such Allowed Class 4 Secured Claims against that BCA, the holder will receive  
the Proceeds of the sale of the Collateral owned by that BCA and securing that subclass of Class  
4 that is sold to the Buyer on the Initial Distribution Date or as soon thereafter as the Proceeds of  
such Collateral can be quantified, and shall receive either a physical turnover of the Retained  
Assets that constitute Collateral for that Claim by the Final Secured Creditor Payment Date, or  
payment of the Proceeds of any such Collateral sold prior to that date. In no event shall the total  
distributions to any holder of an Allowed BCA Class 4 Claim exceed the Allowed amount of  
such Claim. The amount of any Claim of a Class 4 Creditor that is not paid as a Class 4 Secured  
Claim against that BCA or satisfied by the surrender of the Collateral for that Claim, shall be

1 treated as a Class 5 General Unsecured Claim against that BCA after appropriate reduction for  
2 the value of the Collateral surrendered to the holder of that Allowed Class 4 Claim.

3 5. BCA Class 5 – Unsecured Claims

4 After full payment to Priority Claims and the Allowed Secured Claims of  
5 that BCA in Classes 2 through 4, inclusive, the Holder of an Allowed Class 5 Claim against each  
6 BCA will receive a Pro Rata distribution of the remaining Estate Funds of that BCA.

7 6. BCA Class 6 – Preferred Equity Securities Issued by that BCA

8 The holders of BCA Class 6 Interests will not receive or retain any  
9 property under the Plan and the Equity Securities will be cancelled on the Effective Date.

10 7. BCA Class 7 – Common Equity Securities Issued by that BCA

11 The holders of BCA Class 7 Interests will not receive or retain any  
12 property under the Plan and the Equity Securities will be cancelled on the Effective Date.

13 8. BCA Class 8 –Options, Warrants and Rights Issued by that BCA

14 The holders of BCA Class 8 Interests will not receive or retain any  
15 property under the Plan and the Equity Securities will be cancelled on the Effective Date.

16 9. BCA Class 9 – Securities Claims

17 The holders of BCA Class 9 Claims will not receive or retain any property  
18 under the Plan.

19 **E. Reservation of Claims, Defenses And Setoff Rights**

20 Except as provided in Bankruptcy Code §502(d) or as otherwise specifically  
21 provided in the Plan, nothing shall affect, limit or create any party's rights or defenses, both legal  
22 and equitable, or create any rights or defenses with respect to any Claims, including, but not  
23 limited to, legal and equitable defenses to Claims and rights of Setoff that may be preserved  
24 under Bankruptcy Code §553 or recoupment.

25 **F. Post-Petition Interest, Fees and Costs**

26 Interest on and fees and expenses, if any, with respect to any Allowed Secured  
27 Claim, including, but not limited to unpaid professional fees due the holders of such Claims,  
28 shall be paid only to the extent permitted by Section 506(b) of the Bankruptcy Code from the  
Proceeds of the Collateral securing such Claims. Allowance thereof shall be determined  
separately for each Class and each subclass. Any interest, fees and expenses paid during  
pendency of these Cases to the holder of any Allowed Secured Claim that are not allowable  
pursuant to Section 506(b) of the Bankruptcy Code shall be credited against and shall reduce the  
principal amount of any such Allowed Secured Claim. All payments made during the Chapter  
11 Cases to the 1996 Lenders, the 1995 Lenders or the agents or professionals of the 1996

1 Lenders or the 1995 Lenders shall be applied to reduce the principal amount of their Allowed  
2 Secured Claims.

3 Except as otherwise provided in this Plan, or in an order of the Bankruptcy Court,  
4 no holder of an Allowed Claim shall be entitled to the accrual of post-petition interest or the  
5 payment by the Debtors of post-petition interest or professional fees on account of such Claim  
6 for any purpose.

6 **G. Modifications to 1996 Lender Treatment.**

7 The 1996 Lenders may, at any time after the Effective Date, (i)(x) by a vote of  
8 more than 50% in dollar amount of the 1996 Lenders, consent to the Plan Trustee's use of up to  
9 the threshold limit agreed upon by the 1996 Lenders prior to the Disclosure Statement hearing  
10 (the "Threshold") of the Proceeds of 1996 Collateral to fund administrative expenses of the Plan  
11 Trust, and (y) by a vote of at least 66-2/3% in dollar amount of the 1996 Lenders consent to the  
12 Plan Trustee's use of amounts in excess of the Threshold to fund the administrative expenses of  
13 the Plan Trust, and (ii) by a vote of at least 66-2/3% in dollar amount and more than 50% in  
14 number of the 1996 Lenders, permit portions of the distributions to the 1996 Lenders pursuant to  
15 this Article III to be distributed to other Creditors or classes of Creditors.

13 **IV. MEANS FOR IMPLEMENTATION OF THE PLAN**

14 **A. Sale To The Buyer**

15 As of the Closing Date (or such later date no later than May 19, 2000, if the Buyer  
16 elects to delay the transfer of title to certain assets), except as otherwise provided in the Asset  
17 Purchase Agreement, the assets acquired by the Buyer will be transferred to the Buyer free and  
18 clear of Liens and Claims (with valid Liens to attach to the Cash Consideration). The Proceeds  
19 from the Sale will be received on the Closing Date regardless of whether the transfer of any  
20 assets is delayed and will be used to pay all Allowed Claims that are required by the Plan to be  
21 paid on the Initial Distribution Date.

20 **B. Creation Of The Plan Trust**

21 The Plan provides for the creation of a Plan Trust and the appointment of a Plan  
22 Trustee to collect, administer and distribute in accordance with the terms of the Plan: (i) the Cash  
23 Consideration, (ii) any assets to be sold under the Asset Purchase Agreement the transfer of  
24 which is deferred (at the Buyer's option), subject to the Management Agreement, (iii) the  
25 Retained Assets, including without limitation all retained insurance policies (including all of the  
26 Debtors' rights in policies insuring their officers and directors), and (iv) the proceeds of the  
27 Retained Assets. The terms of the Plan Trust will be controlled by the Trust Agreement, a copy  
28 of which will be filed with the Bankruptcy Court not less than ten days before the Confirmation  
hearing. All consideration received from the Buyer under the Asset Purchase Agreement will be  
transferred to the Plan Trust, and all Retained Assets will be transferred to the Plan Trust, subject  
to all valid and enforceable Liens. The Plan Trust shall be the successor to the Debtors.  
Whenever the Plan or the Asset Purchase Agreement require or permit notice to any of the  
Debtors after the Effective Date, such notice shall be effective only when given to the Plan

1 Trustee and the Plan Trustee shall have the right to take all actions that the Debtors would have  
2 had the right to take if they had not been dissolved on the Effective Date.

3 The Plan Trustee must satisfy the disinterestedness requirements of §101(14) of  
4 the Code. The Plan Trustee will initially be appointed by the Court in the Confirmation Order.  
5 The Plan Trustee will act as the Estates' representative for all purposes, and will be responsible  
6 for (i) controlling and managing the consideration received from the Buyer and all Retained  
7 Assets, (ii) monetizing Retained Assets, (iii) filing, prosecuting and settling claim objections, (iv)  
8 administering the disputed claim reserve, (v) prosecuting and settling Estate causes of action, (vi)  
9 making distributions in accordance with the terms of the Plan, and (vii) winding-up and closing  
10 the Plan Trust. The Plan Trustee's compensation will be approved by the Court. Any successor  
11 Plan Trustee will be appointed pursuant to the provisions of the Trust Agreement and approved  
12 by the Bankruptcy Court. The Plan Trustee will be authorized to employ legal and accounting  
13 professionals employed by the Debtors pre-confirmation, as well as such other professionals as  
14 may be approved by the Bankruptcy Court or the Plan Oversight Committee, including without  
15 limitation employment of professionals on a contingent fee basis for the purpose of prosecuting  
16 causes of action transferred to the Trust.

17 Nothing contained herein or in the Trust Agreement shall limit the right of the  
18 Plan Trustee to seek authority to surrender Collateral to any holder of a valid, enforceable,  
19 perfected Lien on that Collateral, and nothing shall limit the rights of any Secured Creditor to  
20 request either a vacation of any applicable stay against the enforcement of its rights against  
21 Collateral in the possession of the Plan Trustee or object to the Plan Trustee's proposed use or  
22 sale of Collateral or the right of the Plan Trustee to oppose any such request. The provisions of  
23 Code Sections 361, 363 and 364 shall apply to the Plan Trustee's use or sale of Collateral  
24 hereunder.

25 The Plan provides for the appointment of a Plan Oversight Committee not less  
26 than ten days before the Confirmation Hearing. The Plan Oversight Committee will consist of  
27 up to five individuals. Three members of the Plan Oversight Committee will be selected by the  
28 1996 Lenders, one member will be selected by the Creditors' Committee, and one member will  
be selected by the 1995 Lenders. The three original members of the Plan Oversight Committee  
shall be identified by the 1996 Lenders not less than ten days before the Confirmation Hearing.  
The 1995 Lenders and the Creditors' Committee each may name a member of the Plan Oversight  
Committee at any time. If they fail to name members, the Plan Oversight Committee shall  
function without such additional members. If any member of the Plan Oversight Committee  
resigns or is unable to serve, the parties responsible for appointing that individual may appoint a  
replacement. The Plan Oversight Committee shall cease to function if it has fewer than three  
members for any 30 consecutive days.

25 The Plan Trustee will consult with the Plan Oversight Committee on a regular  
26 basis and inform the Plan Oversight Committee of actions that the Plan Trustee is pursuing and is  
27 planning to pursue in connection with the discharge of the Plan Trustee's duties. The Plan  
28 Trustee will exercise independent business judgment with respect to the administration of the  
Plan Trust. The Plan Trustee may settle claims held by the Plan Trust or use or transfer any  
interests in assets owned by the Plan Trust subject to obtaining a Final Order of the Bankruptcy  
Court authorizing the Plan Trustee to take such actions. A request for Bankruptcy Court

1 authority to use or transfer Plan Trust property or settle any significant causes of action shall be  
2 governed by Bankruptcy Code § 363 (including Bankruptcy Code section 363(f) with respect to  
3 any sale free and clear of Liens and the right of each Creditor holding a valid and enforceable  
Lien to adequate protection of that Lien).

4 In lieu of such a Bankruptcy Court Order, the Plan Trustee may take such actions  
5 with the consent of a majority in number of the members of the Plan Oversight Committee  
6 allowed to vote on the matter; provided, however, that individual members of the Plan Oversight  
7 Committee shall recuse themselves from voting on proposed action by the Plan Trustee that  
8 involves either an objection to Claims (including Priority Claims or Secured Claims) held by  
9 such members or the initiation of an action(s) against such members. The Plan Trustee cannot  
10 use Collateral or transfer any interest in Collateral without either: (i) a Final Order of the  
Bankruptcy Court authorizing such a use or transfer; or (ii) consent of every Creditor holding an  
Allowed Claim secured by a Lien on that Collateral; provided, however, that the consent of the  
1996 Lenders will be conclusively deemed to have been given if such consent is given by the  
holders of at least 66-2/3% in dollar amount and more than 50% in number of the 1996 Lenders.

11 The Plan Trustee may propose an allocation of the Cash Consideration among the  
12 various Secured Creditors holding Liens on assets sold to the Buyer and the Estate Funds. The  
13 Plan Oversight Committee shall not be responsible for assisting the Plan Trustee in formulating  
14 any such allocation proposal or commenting thereon. The allocation proposal will become  
effective only if it is approved by a Final Order of the Bankruptcy Court, after notice to all such  
holders of Allowed Secured Claims and the members of the Plan Oversight Committee.

#### 15 **C. Replacement Lien to 1996 Lenders.**

16 In consideration of the 1996 Lenders' consent to the use of Proceeds of the 1996  
17 Lenders' Collateral to fund the payment of Priority Claims, the 1996 Lenders shall be granted a  
18 Lien on all Estate Funds and unencumbered Retained Assets to secure payment of the 1996  
19 Lenders' Reimbursement Claims; provided, however, that adequate arrangements must be made  
20 to enable the Plan Trustee to pay the reasonable and necessary expenses of administering the  
21 Plan Trust. See Section IX. The Lien granted herein shall be fully perfected and effective upon  
the entry of the Confirmation Order without further action by the 1996 Lenders, the Debtors or  
the Plan Trustee. Without limiting the foregoing, the 1996 Lenders shall not be required to file  
financing statements or security agreements to perfect such Liens.

#### 22 **D. Distribution of Proceeds from Sale to Buyer.**

23 The Cash Consideration from Buyer shall be delivered to the Plan Trustee subject  
24 to all valid and enforceable Liens thereon. The Proceeds shall be allocated among the Collateral  
25 for the Claims for each holder of an Allowed Secured Claim and the unencumbered assets of  
26 each Estate, either by mutual agreement of the parties, subject to approval by the Bankruptcy  
27 Court, or by determination of the Bankruptcy Court regarding the appropriate allocation of such  
28 Proceeds. As soon as practicable after the allocation of the Proceeds has been approved or  
established by a Final Order of the Bankruptcy Court, the Plan Trustee shall make the following  
distributions from the Proceeds:

1           1.       The Proceeds of the Collateral securing the 1995 Lenders' Allowed  
2 Secured Claims shall be delivered to the holders of such Claims on a Pro Rata basis;

3           2.       The Proceeds of the Collateral securing all other Allowed Secured Claims,  
4 except the 1996 Lenders' Allowed Secured Claims (i.e., Allowed Claims in BCI Class 4, BCREI  
5 Class 3, and each BCA Class 4), including each subclass of each such Class shall be distributed  
6 to the holders of Allowed Claims in said Classes, as soon as practicable after the Allowed  
7 amount of such Claims has been determined;

8           3.       All payments required to be made to the holders of BCI Unclassified  
9 Priority Claims and Allowed Claims in BCI Class 1, shall be made on the Initial Distribution  
10 Date, first from BCI's Estate Funds, and thereafter from the Proceeds of the 1996 BCI Collateral;

11           4.       All payments required to be made to the holders of BCREI Unclassified  
12 Priority Claims and Allowed Claims in BCREI Class 1, shall be made on the Initial Distribution  
13 Date, first from the BCREI Estate Funds, and thereafter from the Proceeds of the 1996 BCREI  
14 Collateral;

15           5.       All payments required to be made to the holders of Unclassified Priority  
16 Claims against each Boston Chicken Affiliate and Allowed Claims in Class 1 with respect to  
17 each Boston Chicken Affiliate, shall be made on the Initial Distribution Date, first from that  
18 Boston Chicken Affiliate's Estate Funds, and thereafter from the Proceeds of the 1996 BCA  
19 Collateral of that BCA;

20           6.       Establishment of the Administrative Reserve in an amount approved by  
21 the Bankruptcy Court, to pay reasonably projected expenses of administering the Plan Trust,  
22 from the Collateral securing Allowed Claims of the 1996 Lenders;

23           7.       The Net Proceeds of the Collateral securing the 1996 Lenders' Secured  
24 Claims, after all of the payments required by paragraphs 3 through 5, inclusive, and the  
25 establishment of a reserve under Paragraph 6, shall be distributed to the Agents for the 1996  
26 Lenders. The Agents for the 1996 Lenders may use such proceeds (together with the  
27 distributions specified in section E1 and E2 below) (i) to pay and reserve for, respectively,  
28 accrued (but unpaid) and projected professional fees and expenses incurred or to be incurred by  
the Agents in connection with this case, and (ii) to apply against their Allowed Secured Claims.  
All Proceeds distributed to the Agents pursuant to this Section IV.D.7 shall reduce the Allowed  
Secured Claims held by the 1996 Lenders.

The foregoing provides for the distribution of the Cash Consideration from the  
sale to the Buyer.

If there remain any Estate Funds after the distributions described in  
Paragraphs 1 through 7, inclusive, such excess shall be distributed as soon as practicable in the  
following order of priorities:

- (1)       Payment of the 1996 Lenders Reimbursement Claim;



1 (2) Payment of the remaining balance of the Allowed Adequate  
2 Protection Obligations, if any; and

3 (3) Any remaining Estate Funds after the foregoing distributions will  
4 be treated as Estate Funds of the Debtor that owned the assets generating those Estate Funds.

5 **E. Disposition of Retained Assets.**

6 The Plan Trustee shall liquidate the Retained Assets for the purpose of  
7 distributing the Proceeds thereof to those Creditors entitled thereto under the Plan. If the Plan  
8 Trustee concludes, in the exercise of reasonable business judgment, that it is appropriate to  
9 surrender to any Secured Creditor part or all of the balance of that Creditor's Collateral that  
10 constitutes part of the Retained Assets, in partial or complete satisfaction of the remaining  
11 Allowed Claims of that Secured Creditor, or to allow any Secured Creditor to enforce a Lien  
12 against any of the Retained Assets in accordance with applicable law, the Plan Trustee may do so  
13 and the value of the Collateral so surrendered or with respect to which enforcement of Liens is  
14 permitted, shall be applied against the Creditors Allowed Secured Claim. If the Plan Trustee  
15 liquidates some or all of the Collateral for any Allowed Secured Claim, the Plan Trustee shall  
16 promptly distribute the Proceeds of any such liquidation to the Secured Creditor with the senior-  
17 most Lien that secures an Allowed Claim that has not yet been fully satisfied. If allocation of  
18 Proceeds among Secured Creditors is required, that allocation shall be made either by mutual  
19 agreement of all parties asserting a Lien against such Proceeds and the Plan Trustee, or by Final  
20 Order of the Bankruptcy Court; provided, however, that the consent of the 1996 Lenders will be  
21 conclusively be deemed to have been given if such consent is given by the holders of at least 66-  
22 2/3% in dollar amount and more than 50% in number of the holders of such Claims. Each  
23 distribution under this Section shall be applied against the Allowed Secured Claims of the  
24 recipients.

18 The Plan Trustee shall also liquidate and convert into Cash all unencumbered  
19 assets, including without limitation causes of action vested in the Plan Trust. From the Cash  
20 recoveries from such assets, the Plan Trustee may replenish the Administrative Reserve in such  
21 amount as may be approved by the majority of the Plan Oversight Committee or by the  
22 Bankruptcy Court, and shall thereafter distribute the Estate Funds as follows:

- 21 1. To pay the 1996 Lenders' Reimbursement Claim, if any, until paid in full;
- 22 2. To pay the Adequate Protection Obligations, if any, until paid in full; and
- 23 3. Pro Rata to the holders of Allowed Unsecured Claims according to the  
24 formulas set forth in Sections III.B.5, III.B.8, III.C.4., and III.D.5., above.

25 The Plan Trustee may make interim distributions to all Classes then  
26 entitled to such a distribution at any time that the Plan Trustee concludes, with the consent of the  
27 Plan Oversight Committee or a Final Order of the Bankruptcy Court, that such a distribution is  
28 appropriate. The Plan Trustee shall make interim distributions promptly whenever the Plan  
Trustee has \$1,000,000 available for distribution or at such other time as the Bankruptcy Court  
determines such a distribution is appropriate based on a request of a Creditor after notice to the  
Plan Trustee.

1 To the extent that the Estate Funds are not sufficient to result in any  
2 distribution to Unsecured Creditors, the Plan Trustee need not allocate the funds received among  
3 the Estates of the Debtors. To the extent that there are remaining Estate Funds available for  
4 distribution to the holders of Allowed Unsecured Claims, the Estate Funds will be allocated  
5 among the Debtors' Estates based on the consideration actually received for the assets of each  
6 Debtor or, to the extent such assets are liquidated jointly, based on the relative fair market value  
7 of the assets liquidated jointly.

#### 8 **F. Termination of Plan Trust.**

9 Upon the distribution of all assets vested in the Plan Trust and the preparation and  
10 filing of any tax returns required of the Plan Trust, the Plan Oversight Committee and the Plan  
11 Trust shall be terminated and the Plan Trustee and members of the Plan Oversight Committee  
12 shall have no further responsibilities or duties.

#### 13 **G. Dissolution of the Debtors.**

14 BCI, BCREI and the Boston Chicken Affiliates shall not continue to exist after  
15 the Effective Date as separate legal entities, in accordance with the applicable law in the  
16 respective jurisdictions in which they are formed or incorporated. Section 303(a) and (b) of the  
17 Delaware General Corporation Law allows a Delaware corporation to provide for its dissolution  
18 in a Chapter 11 plan of reorganization. The Confirmation Order will effectuate such dissolution  
19 and dissolution for BCI, BCREI and each Boston Chicken Affiliate will become final on the  
20 Effective Date. Section 303 also provides that the dissolution provided for in this Plan will  
21 require no further action on the part of either the Interest holders or directors, and that the  
22 dissolution will be deemed to be effectuated and taken by unanimous action of all necessary  
23 parties. To the extent the Debtors deem it necessary or appropriate they may take any steps that  
24 will facilitate such dissolution in compliance with applicable law.

#### 25 **H. Corporate Actions**

26 On the Effective Date, except as otherwise provided for herein, the Equity  
27 Securities and Debentures shall be canceled, *provided, however*, that each agreement that  
28 governs the rights of the holder of a Claim and that is administered by an agent or a servicer shall  
continue in effect solely for the purposes of (i) allowing such agent or servicer to make the  
distributions to be made on account of such Claims under the Plan as provided in Article III  
hereof and to perform such other administrative functions with respect to the rights and  
obligations of the relevant holders as are provided for in the relevant instrument or document and  
(ii) permitting such agent or servicer to maintain any rights or Liens it may have for fees, costs  
and expenses under such agreement; *provided, further*, that the provisions of clause (ii) of this  
paragraph shall not result in any expense or liability to any Debtor or the Plan Trust. The Debtor  
and the Plan Trustee shall not have any obligations to any agent or servicer (or to any successor  
agent or servicer) for any fees, costs or expenses, except as expressly provided in this Article  
IV.H; *provided, however*, that nothing herein shall preclude such indenture, trustee, agent or  
servicer (or any successor agent or servicer) from being paid or reimbursed for pre-petition and  
post-petition fees, costs and expenses from the distributions until payment in full of such fees,

1 costs or expenses that are governed by the respective agreement in accordance with the  
2 provisions set forth therein.

3 Any actions taken by an indenture trustee, an agent, or a servicer that are not for  
4 the purposes authorized in this Article IV.H of the Plan shall not be binding upon the Debtors.  
5 Each indenture of a Claim in BCI Class 6 and the authority of each indenture trustee is  
6 terminated as of the Effective Date.

#### 7 **I. Directors And Officers**

8 The existing officers and the board of directors of the corporate Debtors and the  
9 position of certain of the corporate Debtors that serve in turn as managing members and general  
10 partners of the non-corporate Debtors shall cease to serve in their current capacities at 11:59 p.m.  
11 on the Effective Date. On the Effective Date, the term of the current board of directors of each  
12 Debtor shall expire and the position of each officer, managing member and general partner shall  
13 terminate.

#### 14 **J. Preservation Of Litigation Claims**

15 Except as otherwise provided in this Plan or the Confirmation Order, or in any contract,  
16 instrument, release, indenture or other agreement entered into in connection with the Plan, in  
17 accordance with Section 1123(b) of the Bankruptcy Code, the Plan Trustee shall become vested  
18 with and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all  
19 claims, rights or causes of actions, suits, and proceedings, whether in law or in equity, whether  
20 known or unknown, that the Debtors or the Estates may hold against any person or entity. The  
21 Plan Trustee on behalf of each Debtor may pursue such retained Litigation Claims, as  
22 appropriate, in accordance with the best interests of the beneficiaries of the Plan Trust.

#### 23 **K. Modification of the Plan**

24 The Debtors or the Plan Trustee shall retain the right to amend or modify the Plan,  
25 and to solicit acceptances of any amendments to modifications of the Plan, through and until the  
26 substantial consummation of the Plan.

#### 27 **L. Effectuating Documents; Further Transactions**

28 On or before the Effective Date, the chairman of the board of directors, president,  
chief financial officer, general counsel or any other appropriate officer of each Debtor shall be  
authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures,  
and other agreements or documents and take such actions as may be necessary or appropriate to  
effectuate and further evidence the terms and conditions of the Plan and the secretary or assistant  
secretary of each Debtor shall be authorized to certify or attest to any of the foregoing actions.  
After the Effective Date, the Plan Trustee shall be authorized to perform such acts.

#### 29 **M. Termination Of DIP Facility**

30 The DIP Facility shall be terminated and of no further force and effect upon  
payment in full on the Initial Distribution Date, except as necessary to preserve any

1 indemnification rights under the DIP Facility and to evidence and maintain the Liens granted  
2 pursuant to (i) any Final Order authorizing BCI's entry into the DIP Facility and (ii) the various  
3 agreements approved thereby; *provided, however*, that the Liens securing the DIP Facility shall  
4 remain in full force and effect until the DIP Facility is repaid in full in Cash.

#### 5 **N. Exemption From Certain Transfer Taxes**

6 Pursuant to Section 1146(c) of the Bankruptcy Code, any transfers from a Debtor  
7 to Buyer or entity pursuant to the Plan shall not be subject to any document recording tax, stamp  
8 tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax,  
9 mortgage recording tax or other similar tax or governmental assessment. The Confirmation  
10 Order shall direct the appropriate state or local governmental officials or agents to forego the  
11 collection of any such tax or governmental assessment and to accept for filing and recordation  
12 any of the foregoing instruments or other documents without the payment of any such tax or  
13 governmental assessment.

### 14 **V. ACCEPTANCE OR REJECTION OF THE PLAN**

#### 15 **A. Classes Entitled To Vote**

16 Each Impaired Class of Claims or Interests that is likely to receive or retain  
17 property or any interest in property under the Plan shall be entitled to vote to accept or reject the  
18 Plan. By operation of law, each Unimpaired Class of Claims is conclusively presumed to have  
19 accepted the Plan and, therefore, is not entitled to vote to accept or reject the Plan and each Class  
20 that will receive nothing under the Plan is deemed to have rejected the Plan. The Debtors believe  
21 that BCI Classes 6, 7, and 9 through 12, inclusive, BCREI Classes 5 and 6, and Classes 6  
22 through 9, inclusive, of each BCA will receive nothing under the Plan, and that accordingly they  
23 should be deemed to have rejected the Plan.

#### 24 **B. Acceptance By Impaired Classes**

25 An Impaired Class of Claims shall have accepted the Plan if, of the Claims  
26 actually voting, the holders (other than any holder designated under Section 1126(e) of the  
27 Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims and more than 50% in  
28 number of the Allowed Claims have voted to accept the Plan.

#### 29 **C. Cramdown**

30 BCI shall request Confirmation of the Plan, as it may be modified from time to  
31 time, under Section 1129(b) of the Bankruptcy Code. BCI reserves the right to modify the Plan  
32 so long as such modifications comply with Section 1127 of the Bankruptcy Code and  
33 Bankruptcy Rule 3019.

1                                   **VI.     PROVISIONS GOVERNING DISTRIBUTIONS**

2                   **A.     Distributions For Claims Allowed As Of The Effective Date**

3                   Except as otherwise provided herein or as ordered by the Bankruptcy Court,  
4 distributions to be made on account of Claims that are Allowed Claims as of the Effective Date  
5 shall be made on the Initial Distribution Date, or as soon thereafter as practicable. Distributions  
6 on account of Claims that first become Allowed Claims after the Effective Date shall be made  
pursuant to Articles III, VII, and IX of this Plan.

7                   **B.     Interest On Claims**

8                   Unless otherwise specifically provided for in this Plan or the Confirmation Order,  
9 or required by applicable bankruptcy law, post-petition interest shall not accrue or be paid on  
10 Claims, and no holder of a Claim shall be entitled to interest accruing on or after the Petition  
11 Date on any Claim. Interest shall not accrue or be paid on any Disputed Claim in respect of the  
period from the Petition Date to the date a final distribution is made thereon if and after such  
Disputed Claim becomes an Allowed Claim.

12                  **C.     Cancellation Of Securities Or Instruments**

13                  On the Effective Date, all instruments evidencing a Claim on account of  
14 Debentures and all instruments evidencing an Interest in any of the Debtors shall be revoked and  
rendered null, void and unenforceable.

15                  **D.     Means Of Cash Payment**

16                  Cash payments made pursuant to this Plan shall be in U.S. funds by the means  
17 agreed to by the payor and the payee, including by check or wire transfer, or, in the absence of an  
18 agreement such commercially reasonable manner as the payor shall determine in its sole  
19 discretion; *provided, however*, that any Cash payment in excess of \$1,000,000 shall,  
notwithstanding the foregoing, be effected by wire transfer.

20                  **E.     Delivery Of Distributions**

21                  Distributions to holders of Allowed Claims shall be made by the Plan Trustee or  
22 the Plan Trustee's agent (a) at the addresses set forth on the proofs of Claim filed by such holders  
23 (or at the last known addresses of such holders if no proof of Claim is filed or if the Debtors have  
24 been notified of a change of address), (b) at the addresses set forth in any written notices of  
25 address changes delivered to the Plan Trustee after the date of any related proof of Claim, (c) at  
26 the addresses reflected in the Schedules if no proof of Claim has been filed and neither the  
27 Debtor nor the Plan Trustee has received a written notice of a change of address, or (d) in the  
28 case of the holder of a Claim that is governed by an indenture or other agreement and is  
administered by an indenture trustee, agent, or servicer, at the addresses contained in the official  
records of such indenture trustee, agent, or servicer. If any holder's distribution is returned as  
undeliverable, no further distributions to such holder shall be made unless and until the Plan  
Trustee or the appropriate indenture trustee, agent, or servicer is notified of such holder's then  
current address, at which time all missed distributions shall be made to such holder without

1 interest. Amounts in respect of undeliverable distributions made through the Plan Trustee, agent,  
2 or servicer, shall be returned to the Plan Trustee until such distributions are claimed. All claims  
3 for undeliverable distributions must be made on or before the second (2<sup>nd</sup>) anniversary of the  
4 Effective Date, after which date, all unclaimed property shall be distributed as follows, and the  
5 claim of any holder or successor to such holder with respect to such property shall be discharged  
6 and forever barred, notwithstanding any federal or state escheat laws to the contrary: (a) to the  
7 1996 Lenders if they have not received payment in full of both the Adequate Protection  
8 Obligations and the 1996 Lenders' Reimbursement Claims; or (b) if the foregoing amounts have  
9 been paid, to the holders of Allowed Unsecured Claims against the Debtor whose property  
10 remains unclaimed, in the manner described in Section III, above.

#### 11 **F. Fractional Dollars; De Minimis Distributions**

12 Any other provision of the Plan notwithstanding, payments of fractions of dollars  
13 shall not be made. Whenever any payment of a fraction of a dollar under the Plan would  
14 otherwise be called for, the actual payment made shall reflect a rounding of such fraction to the  
15 nearest whole dollar (up or down), with half-dollars being rounded down. The Plan Trustee, or  
16 any agent or servicer, as the case may be, shall not make any payment of less than twenty-five  
17 dollars (\$25.00) with respect to any Claim unless a request therefor is made in writing to the Plan  
18 Trustee.

#### 19 **G. Withholding And Reporting Requirements**

20 In connection with this Plan and all distributions hereunder, the Plan Trustee  
21 shall, to the extent applicable, comply with all tax withholding and reporting requirements  
22 imposed by any federal, state, local or foreign taxing authority, and all distributions hereunder  
23 shall be subject to any such withholding and reporting requirements. The Plan Trustee shall be  
24 authorized to take any and all actions that may be necessary or appropriate to comply with such  
25 withholding and reporting requirements.

#### 26 **H. Setoffs**

27 The Plan Trustee may, but shall not be required to, set off against any Claim and  
28 the payments or other distributions to be made pursuant to the Plan in respect of such Claim,  
claims of any nature whatsoever that the Debtors may have against the holder of such Claim;  
*provided, however,* that neither the failure to do so nor the allowance of any Claim hereunder  
shall constitute a waiver or release by the Plan Trustee of any such claim that the Debtors may  
have against such holder that may be transferred to the Plan Trust. Nothing contained in the Plan  
shall reduce or expand the rights of any holder of a Claim to setoff that claim against the holder's  
liability to the Estate.

### 29 **VII. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

#### 30 **A. Assumed Contracts**

31 The Confirmation Order will provide for the assumption of those Executory  
32 Contracts specified on Schedules 1.1.4 Part A and 1.1.8 Part A to the Asset Purchase Agreement.

1 These Schedules may be modified anytime prior to the Confirmation Hearing. All such assumed  
2 Executory Contracts shall be assigned to the Buyer. The Buyer may elect to complete that  
3 assignment on the Effective Date or on any other date on or before May 19, 2000, but the Buyer  
4 will be liable for all performance thereunder after the Effective Date pursuant to the Management  
5 Agreement, regardless of the date the assignment becomes effective.

6 Each Executory Contract that is assumed and relates to the use, ability to acquire,  
7 or occupancy of real property shall include (a) all modifications, amendments, supplements,  
8 restatements, or other agreements made directly or indirectly by any agreement, instrument, or  
9 other document that in any manner affect such executory contract or unexpired lease and (b) all  
10 Executory Contracts appurtenant to the premises, including all easements, licenses, permits,  
11 rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easement  
12 agreements, vaults, tunnel or bridge agreements or franchises, and any other interests in real  
13 estate or rights *in rem* related to such premises, unless any of the foregoing agreements has been  
14 rejected pursuant to any order of the Bankruptcy Court that may be entered prior to, at or after  
15 Confirmation, including the Confirmation Order.

16 In addition, to the extent that any of the insurance policies to be vested in the Plan  
17 Trust hereunder is deemed to be an Executory Contract, each such policy is assumed hereunder.

#### 18 **B. Payments Related To Assumption Of Executory Contracts**

19 Any monetary amounts by which each Executory Contract to be assumed  
20 pursuant to the Plan is in default shall be satisfied, under Section 365(b)(1) of the Bankruptcy  
21 Code, at the option of the Debtor party to the Executory Contract (or the Plan Trustee) or the  
22 assignee of such Debtor party assuming such Executory Contract, by Cure. If there is a dispute  
23 regarding (i) the nature or amount of any Cure, (ii) the ability of assignee to provide "adequate  
24 assurance of future performance" (within the meaning of Section 365 of the Bankruptcy Code)  
25 under the Executory Contract to be assumed, or (iii) any other matter pertaining to assumption,  
26 the dispute will be brought before the Bankruptcy Court and Cure shall occur following the entry  
27 of a Final Order resolving the dispute and approving the assumption and assignment.

#### 28 **C. Executory Contracts to be Assumed**

Because the Buyer has not yet decided whether it wishes to accept an assignment  
of the Executory Contracts listed on Schedules 1.1.4 Part B and 1.1.8 Part B to the Asset  
Purchase Agreement, these Executory Contracts shall remain property of the Estates and shall  
neither be assumed nor rejected in the Confirmation Order. As to each such Executory Contract,  
the Buyer shall provide all performance required of the Debtor party thereto from the Effective  
Date until and unless such Executory Contract is assumed or rejected, pursuant to the provision  
of an interim Management Agreement that shall be filed with the Bankruptcy Court at least ten  
days before the Disclosure Statement hearing. Not later than May 19, 2000, the Debtors or the  
Plan Trustee shall file a motion to assume or reject each such Executory Contract.

To protect the non-Debtor party to each such Executory Contract from any  
prejudice, it shall be deemed to have an estimated Unsecured Claim against the Estate of the  
Debtor party to that Executory Contract in an amount equal to the Claim that would arise if the

1 Executory Contract were rejected, solely for voting purposes. Unless the non-Debtor party to  
2 such an Executory Contract files a proof of claim prior to the voting deadline established by the  
3 Bankruptcy Court that estimated Unsecured Claim shall be in the amount of: (i) for Executory  
4 Contracts that are not leases of real property, \$100, and (ii) for leases of real property, the rent  
5 reserved under that lease, without acceleration, for one year after the Effective Date. No  
6 distributions to holders of Allowed Unsecured Claims shall be made until all such Executory  
7 Contracts have been assumed or rejected and the deadline for filing rejection damage Claims has  
8 passed, so that the non-Debtor parties to rejected Executory Contracts can file proofs of Claim.

#### 9 **D. Rejected Executory Contracts**

10 Except as otherwise provided in the Plan or in the Confirmation Order, or in any  
11 contract, instrument, release, indenture or other agreement or document entered into in  
12 connection with the Plan, as of the Effective Date each Debtor shall be deemed to have rejected  
13 each Executory Contract to which it is a party, unless such contract or lease (i) was previously  
14 assumed or rejected by such Debtor, (ii) previously expired or terminated pursuant to its own  
15 terms, (iii) is set forth on Schedule 1.1.4 Parts A or B or Schedule 1.1.8 Parts A or B to the Asset  
16 Purchase Agreement, or (iv) is the subject of a motion to assume filed on or before the  
17 Confirmation Date. The Confirmation Order shall constitute an order of the Bankruptcy Court  
18 under Section 365 of the Bankruptcy Code approving the Executory Contract rejections  
19 described above, as of the Effective Date.

20 Any Claim arising from the Debtor's rejection of an Executory Contract will be  
21 classified as a General Unsecured Claim in the case of the Debtor that is the party to that  
22 Executory Contract. In the case of BCI, such Claims shall be Class 8 Claims.

#### 23 **E. Bar To Rejection Damages**

24 If the rejection by a Debtor, pursuant to the Plan or otherwise, of an Executory  
25 Contract results in a Claim that is not theretofore evidenced by a timely filed proof of Claim or a  
26 proof of Claim that is deemed to be timely filed under applicable law, then such Claim shall be  
27 forever barred and shall not be enforceable against any Debtor, or the properties of any of them  
28 unless a proof of Claim is filed with the clerk of the Bankruptcy Court and served on counsel for  
the Debtors or the Plan Trustee within thirty (30) days after service of the earlier of (i) notice of  
entry of the Confirmation Order (as to Executory Contracts rejected therein), or (ii) other notice  
that the Executory Contract has been rejected.

#### 23 **F. Compensation And Benefit Programs**

24 Employee Executory Contracts described in Section 1.1.4 of the Purchase  
25 Agreement, may be assumed and assigned to the Buyer or rejected by BCI, pursuant to the  
26 provisions of the Asset Purchase Agreement. Each employee pension plan and employee  
27 welfare benefit plan as defined in section 3 of ERISA, and each vacation plan and other  
28 employment practice, policy, fringe benefit, and perquisite of any kind of the Debtors shall,  
unless prohibited by law, be terminated immediately prior to the Effective Date in accordance  
with applicable law.



1 As of the Effective Date, the Buyer shall offer employment to: (a) each of the  
2 Debtors' hourly store employees who, on the Effective Date, is an Employee in Good Standing;  
3 (b) each of the Debtors' regular salaried store and staff employees and hourly staff employees  
4 who, on the Effective Date, is an Employee in Good Standing.

5 In the event that Buyer fails to offer employment as of the Effective Date to any  
6 of the foregoing employees, Buyer will pay to each such employee an amount of severance  
7 payable to such employee under the terms of Severance Program 1, in Cash. In the event that  
8 after the Effective Date, Buyer terminates the employment of any of those employees of the  
9 Debtors initially employed by Buyer; Buyer will provide those employees with the severance  
10 benefits designated in the Asset Purchase Agreement.

## 11 **VIII. PROCEDURES FOR RESOLVING DISPUTED, 12 CONTINGENT, AND UNLIQUIDATED CLAIMS**

### 13 **A. Objection Deadline; Prosecution Of Objections**

14 All Objections to Secured Claims and Unclassified Priority Claims must be filed  
15 with the Bankruptcy Court and served on the holders of each of the Claims to which objections  
16 are made as soon as practicable, but in no event later than 120 days after the later of: (i) the  
17 Effective Date, or (ii) the date the proof of Claim with respect thereto is filed or is last amended.  
18 The Bankruptcy Court may extend the foregoing deadline.

19 At such time as it appears likely that Cash will be available for distribution to the  
20 holders of non-priority Unsecured Claims against any one or more of the Debtors (BCI Classes 5  
21 and 8, BCREI Class 4 and each BCA Class 5), the Plan Trustee may prosecute such objections to  
22 the Unsecured Claims filed against such Debtor(s) as the Plan Trustee concludes are prudent.  
23 There shall be no deadline on filing such objections.

### 24 **B. No Distributions Pending Allowance**

25 Notwithstanding any other provision of the Plan, no payments or distributions  
26 shall be made with respect to all or any portion of a Disputed Claim unless and until all  
27 objections to such Disputed Claim have been settled or withdrawn or have been determined by  
28 Final Order and the Disputed Claim, or some portion thereof, has become an Allowed Claim.

### 29 **C. Distribution Reserve**

30 The Plan Trustee shall withhold the Distribution Reserve from the Cash or other  
31 property to be distributed under the Plan. As to any Disputed Claim, upon a request for  
32 estimation by the Plan Trustee, the Bankruptcy Court shall determine what amount is sufficient  
33 to withhold as the Distribution Reserve. The Plan Trustee may request estimation for every  
34 Disputed Claim that is unliquidated and the Plan Trustee shall withhold the Distribution Reserve  
35 based upon the estimated amount of such Claim as set forth in a Final Order. If the Plan Trustee  
36 elects not to request such an estimation from the Bankruptcy Court with respect to a Disputed  
37 Claim that is liquidated, the Plan Trustee shall withhold the Distribution Reserve based upon the  
38 Face Amount of such Claim. Nothing in the Plan or herein shall be deemed to entitle the holder

1 of a Disputed Claim to post-petition interest on such Claim and such holder shall not be entitled  
2 to any such interest.

3 If practicable, the Plan Trustee shall invest any Cash that is withheld as the  
4 Distribution Reserve in a manner that shall yield a reasonable net return, taking into account the  
5 safety of the investment.

#### 6 **D. Distributions After Allowance**

7 The Plan Trustee shall make payments and distributions from the Distribution  
8 Reserve to each holder of a Disputed Claim that has become an Allowed Claim in accordance  
9 with the provisions of the Plan governing the Class of Claims to which such holder belongs. On  
10 the next succeeding interim distribution date after the date that the order or judgment of the  
11 Bankruptcy Court allowing all or part of such Claim becomes a Final Order, the Plan Trustee  
12 shall distribute to the holder of such Claim any Cash or other property in the Distribution  
13 Reserve that would have been distributed on the Initial Distribution Date had such Allowed  
14 Claim been allowed on the Initial Distribution Date.

### 15 **IX. CONDITIONS PRECEDENT TO CONFIRMATION 16 AND CONSUMMATION OF THE PLAN**

#### 17 **A. Conditions To Confirmation**

18 A Confirmation Order in form and substance reasonably acceptable to the Debtors  
19 and the Buyer is a condition precedent to confirmation of the Plan that must be either (i) satisfied  
20 or (ii) waived in accordance with Article IX.C below.

21 Provision for an adequate funding mechanism for the reasonable costs and  
22 expenses of the Plan Trust, including without limitation the Plan Trustee's compensation and out  
23 of pocket expenses and all reasonable and necessary fees and costs payable to the Plan Trustee's  
24 professionals, is a condition precedent to confirmation that can be waived only by the mutual  
25 agreement of the Plan Trustee and the Debtors.

#### 26 **B. Conditions To Consummation**

27 The following are conditions precedent to the occurrence of the Effective Date,  
28 each of which must be (i) satisfied or (ii) waived in accordance with Article X. C below:

1. The Confirmation Order in form and substance reasonably acceptable to  
the Debtors and the Buyer confirming the Plan, as the same may have been modified, must have  
become a Final Order and must, among other things, provide that:

a. the Debtors or Plan Trustee are authorized and directed to take  
actions necessary or appropriate to enter into, implement and consummate the contracts,  
instruments, releases, leases and other agreements or documents created in connection with the  
Plan or the Restructuring;

1                   b.       the provisions of the Confirmation Order are nonseverable and  
2 mutually dependent; and

3                   c.       all Executory Contracts assumed or assumed and assigned by the  
4 Debtors during the Chapter 11 Cases or under the Plan shall remain in full force and effect for  
5 the benefit of the Debtors or their assignees notwithstanding any provision in such Executory  
6 Contract (including those described in Sections 365(b)(2) and (f) of the Bankruptcy Code) that  
prohibits such assignment or transfer or that enables, permits or requires termination of such  
Executory Contract.

7                   2.       All actions, documents and agreements necessary to implement the Plan  
8 shall have been effected or executed;

9                   3.       The Bankruptcy Court has entered a Final Order authorizing the Debtors  
10 and the Plan Trustee to enter into the Management Agreement;

11                   4.       The sale to the Buyer has closed.

### 12                   **C.     Waiver Of Conditions**

13                   Each of the conditions set forth above, may be mutually waived in whole or in  
14 part by the Debtors in their sole and absolute discretion (except to the extent the Asset Purchase  
15 Agreement requires the consent of the agents for the 1996 Lenders to any waiver of conditions  
16 therein) and the Buyer, without any notice to parties in interest or the Bankruptcy Court and  
without a hearing. The Debtors' waiver of any condition shall not be deemed a waiver of any  
other condition.

## 17                   **X.     MODIFICATIONS AND AMENDMENTS**

18                   The Debtors may alter, amend, or modify the Plan or any Exhibits thereto under Section  
19 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019 at any time prior to the Confirmation  
20 Date. After the Confirmation Date and prior to substantial consummation of the Plan, as defined  
21 in Section 1101(2) of the Bankruptcy Code, the Debtors or Plan Trustee may, under Section  
22 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any  
23 defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the  
Confirmation Order, and such matters as may be necessary to carry out the purposes and effects  
of the Plan if the circumstances warrant such modifications; *provided, however*, that prior notice  
of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the  
Bankruptcy Court.

## 24                   **XI.    RETENTION OF JURISDICTION**

25                   Under Sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of  
26 the Confirmation Order and occurrence of the Effective Date, the Bankruptcy Court shall retain  
27 exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the  
28 Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

1           1.       Allow, disallow, determine, liquidate, classify, estimate or establish the  
2 priority or secured or unsecured status of any Claim or Interest, including: (a) the resolution of  
3 any request for payment of any Administrative Claim, (b) the resolution of and objections to the  
4 allowance or priority of Claims or Interests, and (c) the allocation of Proceeds among the secured  
5 creditors.

6           2.       Hear and determine all applications for compensation and reimbursement  
7 of expenses of Professionals under the Plan or under Sections 330, 331, 503(b), 1103 and  
8 1129(a)(4) of the Bankruptcy Code; *provided, however*, that from and after the Effective Date,  
9 the payment of the fees and expenses of the retained professionals of the Plan Trustee shall be  
10 made in the ordinary course of business and shall not be subject to the approval of the  
11 Bankruptcy Court;

12           3.       Hear and determine all matters with respect to the assumption or rejection  
13 of any Executory Contract to which a Debtor is a party or with respect to which a Debtor may be  
14 liable, including, if necessary, the nature or amount of any required Cure or the liquidation or  
15 allowance of any Claims arising therefrom and the motions to assume or reject each such  
16 Executory Contract pursuant to Section VII.C., above, or to extend the time during which the  
17 Debtors or the Plan Trustee can file such a motion;

18           4.       Effectuate performance of and payments under the provisions of the Plan;

19           5.       Hear and determine any and all adversary proceedings, motions,  
20 applications, and contested or litigated matters arising out of, under, or related to, the Chapter 11  
21 Cases;

22           6.       Enter such orders as may be necessary or appropriate to execute,  
23 implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and  
24 other agreements or documents created in connection with the Plan, the Disclosure Statement or  
25 the Confirmation Order including without limitation the Plan Trust Agreement;

26           7.       Hear and determine disputes arising in connection with the interpretation,  
27 implementation, consummation or enforcement of the Plan, including disputes arising under  
28 agreements, documents or instruments executed in connection with the Plan, including without  
limitation, the Asset Purchase Agreement;

          8.       Consider any modifications of the Plan, cure any defect or omission, or  
reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation,  
the Confirmation Order;

          9.       Issue injunctions, enter and implement other orders, or take such other  
actions as may be necessary or appropriate to restrain interference by any entity with  
implementation, consummation, or enforcement of the Plan or the Confirmation Order;

          10.       Enter and implement such orders as may be necessary or appropriate if the  
Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

1           11. Hear and determine any matters arising in connection with or relating to  
2 the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release,  
3 or other agreement or document created in connection with the Plan, the Disclosure Statement or  
the Confirmation Order;

4           12. Enforce all orders, judgments, injunctions, releases, exculpations,  
5 indemnifications and rulings entered in connection with the Chapter 11 Cases;

6           13. Recover all assets of the Debtors and property of the Debtors' Estates,  
7 wherever located;

8           14. Hear and determine matters concerning state, local, and federal taxes in  
accordance with Sections 346, 505, and 1146 of the Bankruptcy Code;

9           15. Hear and determine such other matters as may be provided in the  
10 Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the  
Bankruptcy Code; and

11           16. Enter a final decree closing the Chapter 11 Cases.

## 12                           **XII. COMPROMISES AND SETTLEMENTS**

13  
14 Pursuant to Bankruptcy Rule 9019(a), the Debtors may compromise and settle various  
15 Claims against them and/or claims that they may have against other persons. The Debtors  
16 expressly reserve the right (with Bankruptcy Court approval, following appropriate notice and  
17 opportunity for a hearing) to compromise and settle Claims against them and claims that they  
may have against other persons up to and including the Effective Date. After the Effective Date,  
such right shall pass to the Plan Trustee pursuant to the Plan.

## 18                           **XIII. MISCELLANEOUS PROVISIONS**

### 19                   **A. Bar Dates For Certain Claims**

#### 20                   1. Administrative Claims, Including Substantial Contribution Claims

21                           On February 15, 2000, the Bankruptcy Court established March 17, 2000  
22 as the bar date for filing certain Administrative Claims that accrued prior to February 15, 2000.  
The Confirmation Order will establish an Administrative Claim bar date for filing of certain  
23 other Administrative Claims, but excluding (i) indemnification claims preserved under XIII.K.  
below, (ii) indemnification claims preserved under IV.M above, (iii) Adequate Protection  
24 Obligations, and (iv) DIP Facility Claims, including Substantial Contribution Claims (but not  
25 including Professional Fee Claims or the expenses of the members of the Creditors' Committee,  
which date will be 45 days after the Confirmation Date. Holders of asserted Administrative  
26 Claims, other than claims for Professional Fees or the expenses of the members of the Creditors'  
Committee, not paid prior to the Confirmation Date must file and serve on the Debtors, the Plan  
27 Trustee and their counsel proofs of Administrative Claim (or application for compensation or  
28 reimbursement of expenses in the case of Substantial Contribution Claims) on or before the  
applicable Administrative Claims bar date or forever be barred from doing so. The initial

Administrative Claim bar date has been noticed to Creditors. The notice of Confirmation to be delivered pursuant to Bankruptcy Rule 3020(c) and 2002(f) will set forth such date and constitute notice of the final Administrative Claims bar date.

## **2. Professional Fee Claims**

All final requests for compensation or reimbursement of Professional Fees pursuant to Sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code for services rendered to the Debtors or the Creditors' Committee prior to the Effective Date (other than Substantial Contribution Claims under Section 503(b)(4) of the Bankruptcy Code) must be filed and served on the Plan Trustee and the Plan Trustee's counsel and those parties who have requested special notice pursuant to Bankruptcy Rule 2002(i), no later than 45 days after the Effective Date, unless otherwise ordered by the Bankruptcy Court.

### **B. Payment of Statutory Fees**

All fees payable pursuant to Section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation shall be paid on or before the Effective Date.

### **C. Severability Of Plan Provisions**

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of any Debtor, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

### **D. Successors And Assigns**

The rights, benefits and obligations of any entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity. The Plan Trustee shall be deemed to be the successor to the Debtors after the Effective Date.

### **E. Committee**

On the Effective Date the duties of the Creditors' Committee and the Equity Committee shall terminate, except with respect to any appeal of an order in the Chapter 11 Cases and applications of the Creditors' Committee's professionals for Professional Fees.

1                   **F.       Exculpation And Limitation Of Liability**

2                   Neither the Debtors nor any of their respective present or former partners,  
3 members, officers, directors, employees, advisors, attorneys, or agents, shall have or incur any  
4 liability to any holder of a Claim or an Interest, or any other party in interest, or any of their  
5 respective agents, employees, representatives, financial advisors, attorneys, or affiliates, or any  
6 of their successors or assigns, for any act or omission in connection with, relating to, or arising  
7 out of, the Chapter 11 Cases, the sale of the Debtors' assets pursuant to the Asset Purchase  
8 Agreement, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan,  
9 the consummation of the Plan, or the administration of the Estates or of the Plan or the property  
10 to be distributed under the Plan, so long as such act or omission was made in good faith and not  
11 in willful violation of the Bankruptcy Code. In all respects they shall be entitled to reasonably  
12 rely on the advice of counsel with respect to their duties and responsibilities under the Plan.

13                   Notwithstanding any other provision of this Plan, no holder of a Claim or Interest,  
14 no other party in interest, none of their respective directors, officers, partners, members,  
15 shareholders, agents, employees, representatives, financial advisors, attorneys, or affiliates, and  
16 no successors or assigns of the foregoing, shall have any right of action against any Debtor, or  
17 any of their respective present or former partners, members, officers, directors, employees,  
18 advisors, attorneys, or agents, for any act or omission in connection with, relating to, or arising  
19 out of the Chapter 11 Cases, the sale of the Debtors' assets pursuant to the Asset Purchase  
20 Agreement, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan,  
21 the consummation of the Plan, or the administration of the Estates or of the Plan or the property  
22 to be distributed under the Plan, so long as such act or omission was made in good faith and not  
23 in willful violation of the Bankruptcy Code. In all respects they shall be entitled to reasonably  
24 rely on the advice of counsel with respect to their duties and responsibilities under the Plan.

25                   **G.       Binding Effect**

26                   The Plan shall be binding on and inure to the benefit of the Debtors, all present  
27 and former holders of Claims against and Interests in the Debtors, their respective successors and  
28 assigns, including, but not limited to, the Debtors, all other parties-in-interest in these Chapter 11  
Cases, the Plan Trustee and the Plan Oversight Committee.

1                   **H.       Revocation, Withdrawal, Or Non-Consummation**

2                   The Debtors reserve the right to revoke or withdraw the Plan at any time prior to  
3 the Confirmation Date and to file subsequent plans of reorganization. If the Debtors revoke or  
4 withdraw the Plan, or if Confirmation or Consummation does not occur, then (i) the Plan shall be  
5 null and void in all respects, (ii) any settlement or compromise embodied in the Plan (including  
6 the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or  
7 rejection of executory contracts or leases effected by the Plan, and any document or agreement  
8 executed pursuant to the Plan shall be deemed null and void, and (iii) nothing contained in the  
9 Plan, and no acts taken in preparation for consummation of the Plan, shall (a) constitute or be  
10 deemed to constitute a waiver or release of any Claims by or against, or any Interests in, any  
11 Debtor or any other person, (b) prejudice in any manner the rights of any Debtor or any person in

1 any further proceedings involving a Debtor, or (c) constitute an admission of any sort by any  
2 Debtor or any other person.

### 3 **I. Plan Supplement**

4 Any and all exhibits, lists, or schedules not filed with the Plan shall be contained  
5 in the Plan Supplement and filed with the Clerk of the Bankruptcy Court at least five (5)  
6 Business Days prior to date of the commencement of the Confirmation Hearing. Upon its filing  
7 with the Bankruptcy Court, the Plan Supplement may be inspected in the office of the Clerk of  
the Bankruptcy Court during normal court hours. Holders of Claims or Interests may obtain a  
copy of the Plan Supplement upon written request to the Debtors.

### 8 **J. Notices**

9 Any notice, request, or demand required or permitted to be made or provided to or  
10 upon a Debtor or the Plan Trustee under the Plan shall be (i) in writing, (ii) served by (a)  
11 certified mail, return receipt requested, (b) hand delivery, (c) overnight delivery service, (d) first  
12 class mail, or (e) facsimile transmission, and (iii) deemed to have been duly given or made when  
actually delivered or, in the case of notice by facsimile transmission, when received and  
telephonically confirmed, as set forth in the Plan Trust Agreement.

### 13 **K. Indemnification Obligations**

14 Except as otherwise specifically limited in this Plan, any obligations or rights of  
15 any Debtor to indemnify those individuals who have served as directors, officers, or employees  
16 at any time during these Chapter 11 Cases pursuant to such Debtors' certificate of incorporation,  
17 by-laws, policy of providing employee indemnification, applicable state law, or specific  
18 agreement in respect of any claims, demands, suits, causes of action, or proceedings against such  
19 directors, officers, or employees based upon any post-petition act or omission in connection with,  
20 relating to, or arising out of, the Chapter 11 Cases, the sale of the Debtors' assets pursuant to the  
21 Asset Purchase Agreement, the solicitation of acceptances of the Plan, the pursuit of  
confirmation of the Plan, the consummation of the Plan, or the administration of the Estates or of  
the Plan or the property to be distributed under the Plan, or pursuant to any indemnification  
obligation that is entitled to priority as an expense of administration for any reason, shall survive  
and become an obligation of the Plan Trust and remain unaffected.

### 22 **L. Prepayment**

23 Except as otherwise provided in this Plan or the Confirmation Order, the Plan  
24 Trustee shall have the right to prepay, without penalty, all or any portion of an Allowed Claim at  
25 any time; *provided, however*, that any such prepayment shall not be violative of, or otherwise  
prejudice, the relative priorities and parities among the classes of Claims.

### 26 **M. Term Of Injunctions Or Stays**

27 Unless otherwise provided herein or in the Confirmation Order, all injunctions or  
28 stays provided for in the Chapter 11 Cases under Sections 105 or 362 of the Bankruptcy Code or  
otherwise, and extant on the Confirmation Date (excluding any injunctions or stays contained in



1 this Plan or the Confirmation Order), shall remain in full force and effect until the Effective  
2 Date.

3 Except as otherwise expressly provided in the Plan or the Confirmation Order, all  
4 entities who have held, hold or may hold Claims against, or Interests in, the Debtors will be  
5 permanently enjoined, on and after the Effective Date, from (i) the enforcement, attachment,  
6 collection or recovery by any manner or means of any judgment, award, decree or order against  
7 the property of the Estates or the proceeds of such property, including without limitation  
8 property transferred to the Buyer (except with respect to liabilities expressly assumed by the  
9 Buyer) or the Plan Trust, on account of any such Claim or Interest, (ii) creating, perfecting or  
10 enforcing any encumbrance of any kind against the property or interests in such property while it  
11 remains in the Estates or the Plan Trust, on account of any such Claim or Interest, (iii) asserting  
12 any right of setoff, subrogation or recoupment of any kind against any obligation due to any of  
13 the Debtors or against the property or interests in property of any of the Debtors on account of  
14 any such Claim or Interest except to the extent the Claim is a Setoff Claim, and (iv) asserting  
15 any Claim or Interest against Buyer or McDonald's other than Claims directly related to the  
16 assumed liabilities or rights under the Executory Contracts that are assigned to the Buyer.

#### 12 **N. Governing Law**

13 Unless a rule of law or procedure is supplied by federal law (including the  
14 Bankruptcy Code and Bankruptcy Rules) the laws of (i) the State of Colorado shall govern the  
15 construction and implementation of the Plan and any agreements, documents, and instruments  
16 executed in connection with the Plan and (ii) the laws of the state of incorporation of each  
17 Debtor shall govern corporate governance matters with respect to such Debtor, in either case  
18 without giving effect to the principles of conflicts of law thereof.

17 Dated: Golden, Colorado  
18 February 17, 2000

BOSTON CHICKEN, INC.

/s/

By: J. Michael Jenkins  
Title: President & Chief Executive Officer

23 Akin, Gump, Strauss, Hauer & Feld, L.L.P.  
24 Attorneys for the Debtors

25 By: Jeffrey C. Krause (Calif. Bar No. 94053)

Dated: February 17, 2000

26 Cecil Schenker  
27 H. Rey Stroube, III  
28 Jeffrey C. Krause

## Definitions

1. “Adequate Protection Claim” means any Claim entitled to priority as an Administrative Claim as the result of a diminution in the value of the Secure Creditors Collateral for which no compensation has been paid, other than any Adequate Protection Obligation.

2. “Adequate Protection Obligation” shall be as defined in the “Agreed Final Order Authorizing Use of Cash Collateral And Granting Certain Adequate Protection Relief To The 1996 Lenders” entered by the Bankruptcy Court on November 4, 1998.

3. “Administrative Claim” means a Claim for payment of an administrative expense of a kind specified in Section 503(b) or 1114(e)(2) of the Bankruptcy Code and entitled to priority pursuant to Section 507(a)(1) of the Bankruptcy Code, including, but not limited to, (a) the actual, necessary costs and expenses, incurred after the Petition Date, of preserving the Estates and operating the businesses of the Debtors, including wages, salaries, or commissions for services rendered after the commencement of the Chapter 11 Cases, (b) Professional Fees, (c) all fees and charges assessed against the Estates under chapter 123 of title 28, United States Code, and (d) all Allowed Claims that are entitled to be treated as Administrative Claims pursuant to a Final Order of the Bankruptcy Court under Section 546(c)(2)(A) of the Bankruptcy Code. Administrative Claims shall not include the costs of administering the Plan Trust which shall be priority unsecured liabilities of the Plan Trust.

4. “Administrative Reserve” means the reserve established for the payment of costs of administering the Plan Trust, including without limitation the fees and expenses of the Plan Trustee and any professionals employed by the Plan Trustee, which reserve shall be free and clear of any and all Liens at all times and may be replenished from time to time pursuant to the provisions of the Plan.

5. “Affiliate” means BCI or any corporation, limited liability company, joint venture or partnership in which BCI directly or indirectly owns 20% or more of the equity interest of such entity, including, without limitation, BCREI and each of the Debtors. Boston West and Platinum are not Affiliates. BCNW was not an Affiliate.

6. “Agent” means the entity designated and acting as the Agent under the 1996 Master Lease or the Revolver Loan.

7. “Allowed Claim” means a Claim or any portion thereof (a) as to which no objection to allowance or request for estimation has been interposed on or before the Objection Date or the expiration of such other applicable period of limitation fixed by the Bankruptcy Code, Bankruptcy Rules, or the Bankruptcy Court, (b) as to which any objection to its allowance has been settled, waived through payment, or withdrawn, or has been denied by a Final Order, (c) that has been allowed by a Final Order, (d) as to which the liability of the Debtors, or any of them, and the amount thereof are determined by a final order of a court of competent jurisdiction other than the Bankruptcy Court, or (e) that is expressly allowed in a liquidated amount in the Plan; *provided, however*, that with respect to an Administrative Claim, “Allowed Claim” means an Administrative Claim as to which a timely request for payment has been made in accordance with Article XIII of this Plan (if such written request is required) or other Administrative Claim,

1 in each case as to which (1) no party in interest has interposed a timely objection or (2) any  
2 timely objection has been settled, waived through payment, or withdrawn, or has been denied by  
3 a Final Order.

4 8. "Allowed" means, when used in reference to a Claim or Interest within a  
5 particular Class, an Allowed Claim or Allowed Interest of the type described in such Class.

6 9. "Allowed Class . . . Claim" means an Allowed Claim in the particular Class  
7 described.

8 10. "Allowed Class . . . Interest" means an Interest in the particular Class  
9 described (a) that has been allowed by a Final Order, (b) for which (i) no objection to its  
10 allowance has been filed by the Objection Date or by any Final Order of the Bankruptcy Court or  
11 (ii) any objection to its allowance has been settled or withdrawn, or (c) that is expressly allowed  
12 in the Plan.

13 11. "Asset Purchase Agreement" means the Asset Purchase Agreement dated  
14 November 30, 1999 among the Debtors, as sellers, and Golden Restaurant Operations, Inc.  
15 ("Buyer"), as buyer, with certain of its obligations guaranteed by McDonald's.

16 12. "Ballots" means each of the ballot forms distributed with the Disclosure  
17 Statement to holders of Impaired Claims entitled to vote under Article II hereof in connection  
18 with the solicitation of acceptances of the Plan.

19 13. "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as codified in  
20 title 11 of the United States Code 11 U.S.C. §§ 101-1330, as now in effect or hereafter amended.

21 14. "Bankruptcy Court" means the United States Bankruptcy Court for the  
22 District of Arizona or such other court, as may have jurisdiction over the Chapter 11 Cases.

23 15. "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy  
24 Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure,  
25 as amended, as applicable to the Chapter 11 Cases or proceedings therein, and the Local Rules of  
26 the Bankruptcy Court, as applicable to the Chapter 11 Cases or proceedings therein, as the case  
27 may be.

28 16. "Bar Date(s)" means the date(s) designated by the Bankruptcy Court as the  
last dates for filing proofs of Claim against the Debtors.

17. "BCA" means each of the Debtors other than BCI and BCREI.

18. "BCA Estate Funds" means, as to each BCA, the consideration from the  
disposition of property of that BCA's Estate that does not constitute Collateral, including without  
limitation Litigation Claims, if any, that do not constitute Collateral, and consideration from the  
disposition of Collateral of that BCA, to the extent the consideration for the specific Collateral  
exceeds all Allowed Secured Claims secured by Liens on that Collateral.

1                   19. “BCI” means Boston Chicken, Inc., a Delaware corporation, debtor and debtor  
2 in possession.

3                   20. “BCI Estate Funds” means the consideration from the disposition of property  
4 of BCI’s Estate that does not constitute Collateral, including without limitation, Litigation  
5 Claims, if any, that do not constitute Collateral, and consideration from the disposition of  
6 Collateral of BCI to the extent consideration for the specific Collateral exceeds all Allowed  
7 Secured Claims secured by Liens on that Collateral.

8                   21. “BCREI” means BC Real Estate Investments, Inc., a Delaware corporation,  
9 debtor and debtor in possession.

10                   22. “BCREI Estate Funds” means the consideration from the disposition of  
11 property of BCREI’s Estate that does not constitute Collateral, including without limitation,  
12 Litigation Claims, if any, that do not constitute Collateral, and Proceeds from the disposition of  
13 Collateral of BCREI to the extent the consideration received for the specific Collateral exceed all  
14 Allowed Secured Claims secured by Liens on that Collateral.

15                   23. “Boston Chicken Affiliate” and “BCA” mean each of the Debtors other than  
16 BCI and BCREI.

17                   24. “Boston West” means Boston West, L.L.C., the debtor and debtor in  
18 possession in Case No. SA-98-25243-LR, in the United States Bankruptcy Court for the Central  
19 District of California.

20                   25. “Business Day” means any day, excluding Saturdays, Sundays or “legal  
21 holidays” (as defined in Fed. R. Bankr. P. 9006(a)), on which commercial banks are open for  
22 business in New York, New York.

23                   26. “Buyer” means Golden Restaurant Operations, Inc., the buyer as defined in  
24 the Asset Purchase Agreement.

25                   27. “Carve Out” means the amount to which professionals employed by the  
26 Debtors or the Creditors’ Committee are entitled to receive from the 1996 Lenders’ Collateral  
27 pursuant to the agreed upon carve out provisions of the Bankruptcy Court’s prior orders.

28                   28. “Cash” means legal tender of the United States or equivalents thereof.

                  29. “Cash Consideration” means all of the cash consideration to be provided by  
the Buyer under the Asset Purchase Agreement.

                  30. “Chapter 11 Cases” means the jointly administered Chapter 11 Cases of BCI,  
BCREI, and the BOSTON CHICKEN AFFILIATES.

                  31. “Claim” means a claim against the Debtors, or any of them, whether or not  
asserted, as defined in Section 101(5) of the Bankruptcy Code.

1                   32. “Class” means a category of holders of Claims or Interests, as described in the  
2 Plan.

3                   33. “Closing Date” means the Closing Date as defined in Paragraph 8.1 of the  
4 Asset Purchase Agreement.

5                   34. “Collateral” means any property or interest in property of any Debtor’s Estate  
6 subject to a Lien to secure the payment or performance of a Claim, which Lien is not invalid,  
unenforceable or subject to avoidance under the Bankruptcy Code or other applicable law.

7                   35. “Common Equity Securities” means the Common Stock, Membership  
8 Interests, and the Partnership Interests, together with any options, warrants or rights, contractual  
9 or otherwise, to receive such Equity Securities, including without limitation, the Options,  
Warrants and Rights.

10                  36. “Common Stock” means the shares of common stock of BCI, BCREI and any  
11 BCA that is a corporation, together with any options, warrants or rights, contractual or otherwise,  
12 if any, to purchase, acquire or receive any such common stock, including, without limitation, the  
Options, Warrants and Rights.

13                  37. “Confirmation” means entry by the Bankruptcy Court of the Confirmation  
14 Order.

15                  38. “Confirmation Date” means the date of entry by the clerk of the Bankruptcy  
16 Court of the Confirmation Order.

17                  39. “Confirmation Hearing” means the hearing to consider confirmation of the  
18 Plan under Section 1128 of the Bankruptcy Code.

19                  40. “Confirmation Order” means the order entered by the Bankruptcy Court  
20 confirming the Plan.

21                  41. “Creditor” means any Person who holds a Claim against the Debtors or any of  
22 them.

23                  42. “Creditors’ Committee” means the committee of unsecured creditors  
24 appointed pursuant to Section 1102(a) of the Bankruptcy Code in the Chapter 11 Cases.

25                  43. “Cure” means the distribution of Cash, or such other property as may be  
26 agreed upon by the parties or ordered by the Bankruptcy Court, with respect to the assumption of  
an Executory Contract, pursuant to Section 365(b) of the Bankruptcy Code, in an amount equal  
to all unpaid monetary obligations, without interest, or such other amount as may be agreed upon  
by the parties, under such Executory Contract, to the extent such obligations are enforceable  
under the Bankruptcy Code and applicable bankruptcy law.

27                  44. “Debenture Claims” means the Claims under the Debentures, but excluding  
28 all Debt Securities Claims.

1           45. "Debentures" means collectively or separately the 1994 Debentures, the 1997  
2 Debentures and the LYONs.

3           46. "Debtor(s)" means, individually, BCI, BCREI, or each BOSTON CHICKEN  
4 AFFILIATE, and collectively, BCI, BCREI and all of the BOSTON CHICKEN AFFILIATES,  
5 including in their capacity as debtors-in-possession pursuant to Sections 1107 and 1108 of the  
6 Bankruptcy Code, and as reorganized hereunder.

7           47. "Debt Securities Claim" means a Securities Claim arising directly or  
8 indirectly from a Debenture.

9           48. "DIP Facility" means the debtor-in-possession credit facility provided to the  
10 Debtors during the Chapter 11 Cases under the Debtor in Possession Credit Agreement dated as  
11 of October 5, 1998, as amended by Amendment No. 1 dated as of February 24, 1999,  
12 Amendment No. 2 dated as of May 25, 1999, Amendment No. 4 dated as of August 30, 1999,  
13 Amendment No. 5 dated as of September 17, 1999 and Amendment No. 6 dated as of December  
14 14, 1999 and as further supplemented by certain letter agreements dated as of October 6, October  
15 22, November 2, November 16 and December 1, 1999.

16           49. "DIP Facility Claim" means all Claims arising under the DIP Facility.

17           50. "Disclosure Statement" means the written disclosure statement that relates to  
18 the Plan, dated January 6, 2000, as amended, supplemented, or modified from time to time, and  
19 that is prepared and distributed in accordance with Sections 1125 and 1126(b) of the Bankruptcy  
20 Code and Fed. R. Bankr. P. 3018.

21           51. "Disputed Claim" means any Claim not otherwise Allowed or paid pursuant  
22 to the Plan or an order of the Bankruptcy Court (a) which has been or hereafter is listed on the  
23 Schedules as unliquidated, contingent, or disputed, and which has not been resolved by written  
24 agreement of the parties or an order of the Bankruptcy Court, (b) proof of which was required to  
25 be filed by order of the Bankruptcy Court but as to which a proof of Claim was not timely or  
26 properly filed, (c) proof of which was timely and properly filed and which has been or hereafter  
27 is listed on the Schedules as unliquidated, disputed or contingent, (d) that is disputed in  
28 accordance with the provisions of this Plan, or (e) as to which a party in interest has interposed a  
timely objection or request for estimation in accordance with the Bankruptcy Code, the  
Bankruptcy Rules, and any orders of the Bankruptcy Court, or is otherwise disputed by a party in  
interest in accordance with applicable law, which objection, request for estimation, or dispute has  
not been withdrawn or determined by a Final Order; *provided, however*, that for purposes of  
determining whether a particular Claim is a Disputed Claim prior to the expiration of any period  
of limitation fixed for the interposition of objections to the allowance of Claims, any Claim that  
is not identified by the applicable Debtor as an Allowed Claim shall be deemed a Disputed  
Claim.

          52. "Distribution Reserve" means the reserve, if any, established and maintained  
by the Plan Trustee, into which the Plan Trustee shall deposit the amount of Cash that would  
have been distributed by the Plan Trustee on the Initial Distribution Date to holders of (a)  
Disputed Claims, (b) contingent liquidated Claims, if such Claims had been undisputed or

1 noncontingent Claims on the Initial Distribution Date, pending (i) the allowance of such Claims  
2 or the estimation of such Claims for purposes of allowance or (ii) the satisfaction of all existing  
3 contingencies that had prevented that Claim from being noncontingent, and (c) unliquidated  
4 Claims, if such Claims had been liquidated on the Initial Distribution Date, such to be estimated  
5 by the Bankruptcy Court or agreed upon by the Plan Trustee and the holders thereof as sufficient  
6 to satisfy such unliquidated Claim upon such Claim's (x) allowance, (y) estimation for purposes  
7 of allowance, or (z) liquidation, pending the occurrence of such estimation or liquidation.

8 53. "Effective Date" means the Business Day on which all conditions to the  
9 consummation of the Plan as set forth in Article X.B. hereof have been satisfied or waived as  
10 provided in Article X.C. hereof and is the effective date of the Plan.

11 54. "Employee in Good Standing" means any employee of the Debtors as of the  
12 Effective Date, including those on short term disability leave, workers' compensation leave or  
13 other authorized leave on absence on the Effective Date, other than such employee: (i) who has  
14 been absent from work without authorization for one or more weeks on the Effective Date or (ii)  
15 who is on long term disability on the Effective Date; provided, that any employee of the Debtors  
16 on short term disability leave, workers' compensation leave or other unauthorized leave of  
17 absence on the Effective Date will cease to be an Employee in Good Standing as of the Effective  
18 Date unless such employee returns to his or her employment within ninety days of the date on  
19 which such employee's disability leave began.

20 55. "Equity Securities" means the Common Equity Securities and the Preferred  
21 Equity Securities.

22 56. "Equity Securities Claim" means a Securities Claim arising directly or  
23 indirectly from any Equity Securities.

24 57. "Estate(s)" means, individually, the estate of BCI, BCREI, or any BOSTON  
25 CHICKEN AFFILIATE in the Chapter 11 Cases, and, collectively, the estates of BCI, BCREI  
26 and all of the BOSTON CHICKEN AFFILIATES in the Chapter 11 Cases, created pursuant to  
27 Section 541 of the Bankruptcy Code.

28 58. "Estate Funds" means, for each Estate, the cash realized from the liquidation  
of the assets of the Estate which are not subject to any valid and enforceable Liens and the  
Proceeds of any Collateral to the extent that such Proceeds exceed all Claims secured by valid  
and enforceable Liens on such Collateral.

59. "Executory Contract" means a lease or executory contract within the meaning  
of Bankruptcy Code section 365, including without limitation leases of real property and/or  
personal property but excluding any leases that would be treated as Security Interests under  
Uniform Commercial Code § 1-201(37).

60. "Face Amount" means (a) when used in reference to a Disputed Claim, the  
full stated amount claimed by the holder of such Claim in any proof of Claim timely filed with  
the Bankruptcy Court or otherwise deemed timely filed by any Final Order of the Bankruptcy  
Court or other applicable bankruptcy law, and (b) when used in reference to an Allowed Claim,  
the allowed amount of such Claim.

1           61. “Final Order” means an order or judgment of the Bankruptcy Court as entered  
2 on the docket in the Chapter 11 Cases with respect to which any delay under Bankruptcy Rule  
3 7062 in its operative effect has passed, the operation or effect of which has not been stayed,  
reversed, or amended.

4           62. “Final Secured Creditor Distribution Date” shall mean the one year  
5 anniversary of the Effective Date.

6           63. “General Administrative Claim” means all Claims entitled to priority as  
7 expenses of administration under Bankruptcy Code sections 503 and 507(a)(1), other than DIP  
Facility Claims and Adequate Protection Obligations.

8           64. “General Unsecured Claim” means a Claim against the Debtors, or any of  
9 them, that is not: (a) a Priority Claim, (b) a Secured Claim, (c) a Debenture Claim, (d) an  
Intercompany Claim, or (e) a Securities Claim.

10           65. “Impaired” means, when used with reference to a Claim or Interest, a Claim  
11 or Interest that is impaired within the meaning of Section 1124 of the Bankruptcy Code.

12           66. “Initial Distribution Date” means the first business day after the Effective  
13 Date.

14           67. “Intercompany Claim” means, as the case may be, any Claim of any Affiliate  
15 against any other Affiliate.

16           68. “Interest” means (a) the legal, equitable, contractual and other rights of any  
17 person with respect to any Equity Securities issued by any of the Debtors, and (b) the legal,  
equitable, contractual or other rights of any person to acquire or receive any of the foregoing.

18           69. “Lien” means a charge against or interest in property to secure payment of a  
19 debt or performance of any obligation, including without limitation a security interest, as defined  
20 in the Bankruptcy Code section 101(51) whether granted before or after the Petition Date,  
including all Liens created pursuant to the Bankruptcy Court’s Orders.

21           70. “Litigation Claims” means the claims, causes of action, suits, or proceedings,  
22 whether in law or in equity, whether known or unknown, that the Debtors or their Estates may  
23 hold against any Person, all of which are to be transferred to the Plan Trustee pursuant to the  
Plan.

24           71. “LYONs” means the liquid yield option notes due 2015.

25           72. “McDonald’s” means McDonald’s Corporation, the parent of the Buyer and  
26 guarantor of certain of the Buyer’s obligations under the Asset Purchase Agreement.

27           73. “Membership Interests” means the units of membership interest in each of the  
28 BCAs that is a limited liability company, together with any options, warrants or rights,  
contractual or otherwise, if any, to purchase, acquire or receive any such membership units,  
including without limitation Options, Warrants and Rights.



1           74. "Net Proceeds" means the Proceeds of the 1996 Lenders' Collateral, less all  
2 payments to the holders of Priority Claims as expressly authorized under the terms of the Plan,  
3 other than payments of the 1996 Lenders' Adequate Protection Obligations.

4           75. "1995 BCA Collateral" means all 1995 Collateral that is owned by a BCA.

5           76. "1995 BCI Collateral" means all 1995 Collateral that is owned by BCI.

6           77. "1995 Collateral" means all Collateral owned by the Debtors that secures  
7 payment of the 1995 Lenders' Allowed Secured Claims.

8           78. "1995 Lenders" means the "lessor" and all direct participants under the  
9 Master Lease Agreement dated September 27, 1995.

10          79. "1994 Debenture" means the 4-1/2% Convertible Subordinated Debentures  
11 due 2004.

12          80. "1996 BCA Collateral" means all 1996 Collateral that is owned by a BCA.

13          81. "1996 BCI Collateral" means all 1996 Collateral that is owned by BCI.

14          82. "1996 BCREI Collateral" means all 1996 Collateral that is owned by BCREI.

15          83. "1996 Collateral" means all Collateral owned by the Debtors that secures  
16 payment of the 1996 Lenders' Allowed Secured Claims, whether the Liens in such Collateral  
17 were granted prepetition, pursuant to the Adequate Protection Order or this Plan.

18          84. "1996 Lenders" means the holders of Allowed Claims under both the  
19 Revolver Loan and the 1996 Master Lease Lenders.

20          85. "1996 Lenders' Reimbursement Claims" means the 1996 Lenders' Claim for  
21 an amount equal to the difference between the Proceeds of their Collateral and the Net Proceeds  
22 of their Collateral, less the remaining Carve-Out from which Administrative Claims are paid  
23 after the Effective date, if any, which Claim will be secured by replacement Liens on the Estate  
24 Funds, subject to an agreement between the Plan Trustee and the 1996 Lenders that shall be  
25 finalized prior to the Confirmation Hearing to allow the Plan Trustee to use such Estate Funds to  
26 pay the costs of administering the Plan Trust.

27          86. "1996 Master Lease" means the Master Lease Agreement No. 2, dated as of  
28 December 9, 1996. as amended from time to time.

          87. "1996 Master Lease Lenders" means the "lessor" and all direct all  
participants in the 1996 Master Lease.

          88. "1997 Debentures" means the 7-3/4% Convertible Subordinated Debentures  
due 2004.

          89. "Objection Date" shall mean the 120<sup>th</sup> day after the Confirmation Date.

1                   90. "Options" means the outstanding options to purchase any Equity Securities of  
2 the Debtors as of the Petition Date.

3                   91. "Other Priority Claim" means a Claim entitled to priority pursuant to Section  
4 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Claim.

5                   92. "Other Secured Claims" means, collectively, all Secured Claims against BCI,  
6 BCREI, or BOSTON CHICKEN AFFILIATES, as the case may be, other than the Secured  
7 Claims of the 1995 Lenders and the 1996 Lenders.

8                   93. "Partnership Interests" means the units of partnership interest in each of the  
9 BCA's that is a partnership, together with any options, warrants or rights, contractual or  
10 otherwise, if any, to purchase, acquire or receive any such membership units, including without  
11 limitation Options, Warrants and Rights.

12                   94. "Petition Date" means October 5, 1998, the date on which BCI, BCREI, and  
13 the BOSTON CHICKEN AFFILIATES filed their petitions for relief commencing the Chapter  
14 11 Cases.

15                   95. "Plan" means this Chapter 11 reorganization plan for BCI, BCREI, and the  
16 BOSTON CHICKEN AFFILIATES, and all exhibits annexed hereto or referenced herein, as the  
17 same may be amended, modified or supplemented from time to time.

18                   96. "Plan Oversight Committee" means the committee to be appointed to  
19 interface with the Plan Trustee pursuant to the provisions of § IV.B. of the Plan.

20                   97. "Plan Supplement" means the compilation of documents and forms of  
21 documents specified in the Plan which will be filed with the Bankruptcy Court not later than five  
22 (5) Business Days prior to the date of commencement of the Confirmation Hearing.

23                   98. "Plan Trust" means the trust to be created under the Plan as the successor  
24 of the Debtors to which will be transferred all of the assets described in § IV.B. of the Plan.

25                   99. "Plan Trustee" means that the trustee pursuant to the Plan Trust. The Plan  
26 Trustee will be identified prior to the confirmation hearing and approved by the Court in the  
27 Confirmation Order.

28                   100. "Preferred Equity Securities" means the Preferred Stock, the Preferred  
Membership Interests and the Preferred Partnership Interests.

                  101. "Preferred Membership Interests" means the units of membership interest  
that are entitled to any preferred or priority distribution over other Membership Interests in such  
BCA upon the dissolution or liquidation of such BCA, if any, in each of the BCA's that is a  
limited liability company, together with any rights, contractual or otherwise, if any, to purchase,  
acquire or receive any such Preferred Membership Interests, including without limitation  
Options, Warrants and Rights.

1           102. “Preferred Partnership Interests” means the units of partnership interest  
2 that are entitled to any preferred or priority distribution over other Partnership Interests in such  
3 BCA upon the dissolution or liquidation of such BCA, if any, in each of the BCA’s that is a  
4 partnership, together with any rights, contractual or otherwise, if any, to purchase, acquire or  
receive any such Preferred Partnership Interests, including without limitation Options, Warrants  
and Rights.

5           103. “Preferred Stock” means the shares of BCI preferred stock and the shares  
6 of preferred stock of BCREI or any BCA that is a corporation, if any, together with any options,  
7 warrants or rights, contractual or otherwise, if any, to purchase, acquire or receive any such  
preferred stock, including without limitation Options, Warrants and Rights.

8           104. “Priority Claim” means all Claims entitled to priority under Bankruptcy  
9 Code section 507, including all Unclassified Priority Claims and all Claims in Class 1 with  
respect to each Debtor.

10           105. “Priority Tax Claim” means a Claim that is entitled to priority pursuant to  
11 Section 507(a)(8) of the Bankruptcy Code.

12           106. “Proceeds” means the gross proceeds from the disposition of Collateral,  
13 including Cash Consideration and assumed liabilities, less all sums for which those gross  
14 proceeds can be surcharged pursuant to Bankruptcy Code §506(c), either by agreement of the  
holder of the Allowed Secured Claim and the Plan Trustee or by Final Order of the Bankruptcy  
Court.

15           107. “Professional” means any professional employed in any of the Chapter 11  
16 Cases pursuant to Sections 327 or 1103 of the Bankruptcy Code or otherwise and the  
17 professionals seeking compensation or reimbursement of expenses in connection with the  
Chapter 11 Cases pursuant to Section 503(b)(4) of the Bankruptcy Code.

18           108. “Professional Fee Claim” means a Claim of a Professional for  
19 compensation or reimbursement of costs and expenses relating to services incurred after the  
20 Petition Date and prior to and including the Effective Date.

21           109. “Pro Rata” means at any time, the proportion that the Face Amount of a  
22 Claim bears to the aggregate Face Amount of all Claims (including Disputed Claims) in a Class,  
unless the Plan provides otherwise.

23           110. “Retained Assets” shall mean the assets described as being retained by the  
24 Debtors and not sold to the Buyer in Section 1.2 of the Asset Purchase Agreement and the related  
schedules.

25           111. “Revolver Loan” means the Secured Revolving Credit Agreement dated as  
26 of December 6, 1996, as amended from time to time thereafter.

27           112. “Rights” means the outstanding rights to purchase, acquire or receive any  
28 Equity Securities of the Debtors as of the Petition Date.

1           113. “Schedules” means the schedules of assets and liabilities and the  
2 statements of financial affairs, if any, filed in the Bankruptcy Court by BCI, BCREI, or a  
3 BOSTON CHICKEN AFFILIATE, as the case may be, as such schedules or statements may be  
4 amended or supplemented from time to time in accordance with Fed. R. Bankr. P. 1009 or orders  
5 of the Bankruptcy Court.

6           114. “Secured Claim” means a Claim, other than a Setoff Claim, that is secured  
7 by a security interest in or lien upon property, or the proceeds of the sale of such property, in  
8 which a Debtor has an interest to the extent of the value, as of the Closing Date or such later date  
9 as is established by the Bankruptcy Court, of such interest or lien as determined by a Final Order  
10 of the Bankruptcy Court pursuant to Section 506 of the Bankruptcy Code or as otherwise agreed  
11 upon in writing by such Debtor or the Plan Trustee and the holder of such Claim.

12           115. “Secured Creditor Final Payment Date” means the one year anniversary of  
13 the Closing Date, or such later date as may be established by either mutual agreement between  
14 the Plan Trustee and the Secured Creditor entitled to a final payment or surrender of Collateral in  
15 the possession of the Plan Trustee or by the Bankruptcy Court.

16           116. “Securities Act” means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa,  
17 as now in effect or hereafter amended.

18           117. “Securities Action” means the consolidated class action captioned *In re*  
19 *Boston Chicken, Inc. Securities Litigation*, (Civil Action No. 97-WM-1308) pending in the  
20 United States District Court for the District of Colorado and *Krzesinski v. Boston Chicken, Inc.,*  
21 *et al.* (Civil Action No. 97-CV-2259, Division 6) and related cases (District Court, Jefferson  
22 County, Colorado).

23           118. “Securities Claim” means a Claim arising from the rescission of a  
24 purchase or sale of any Interest or any Debenture issued by any of the Debtors, for damages  
25 arising from the purchase or sale of such a security or other damages alleged to arise under  
26 federal or state securities laws or regulations or under any contract related to any such sale or  
27 purchase, or for reimbursement, contribution or indemnification allowed under Section 502 of  
28 the Bankruptcy Code on account of such Claim, including, without limitation, a Claim with  
respect to any action pending against BCI and/or its current or former officers and directors in  
which Securities Claims are asserted, including the Securities Action.

          119. “Setoff Claim” means a Claim, against a Debtor, of a holder that has a  
valid right of setoff with respect to such Claim, which right is enforceable under Section 553 of  
the Bankruptcy Code as determined by a Final Order or as otherwise agreed in writing by such  
Debtor or the Plan Trustee, to the extent of the amount subject to such right of setoff.

          120. “Severance Program” means both the severance program guidelines for  
“severance program 1” and “severance program 2” as defined in the Asset Purchase Agreement.

          121. “Solicitation” means the solicitation of acceptances or rejections of the  
Plan pursuant to Section 1126(b) of the Bankruptcy Code.

          122. “Subordinated Creditors” means the holders of Debenture Claims.

1           123. “Trust Agreement” is the agreement establishing the Plan Trust, a true and  
2 correct copy of which will be filed with the Bankruptcy Court at least ten days prior to the  
3 confirmation hearing.

4           124. “Subsidiaries” means, collectively, the direct and indirect subsidiaries of  
5 BCI listed on the annexed Exhibit C.

6           125. “Substantial Contribution Claim” means a claim for compensation or  
7 reimbursement of expenses incurred in making a substantial contribution in the Chapter 11 Cases  
8 pursuant to Section 503(b)(3), (4), or (5) of the Bankruptcy Code.

9           126. “Unimpaired Claim” means a Claim that is not an Impaired Claim.

10          127. “Unresolved Executory Contracts” means those Executory Contracts  
11 (including leases of real property) listed on Part B of Schedules 1.1.4 and 1.1.8 of the Asset  
12 Purchase Agreement as of the Confirmation Hearing.

13          128. “Unsecured Claim” means any Claim against a Debtor that is not secured  
14 by a Lien on property of that Debtor.

15          129. “Voting Deadline” means March 22, 2000.

16          130. “Warrants” means the outstanding warrants to purchase any Equity  
17 Securities of the Debtors as of the Petition Date.  
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